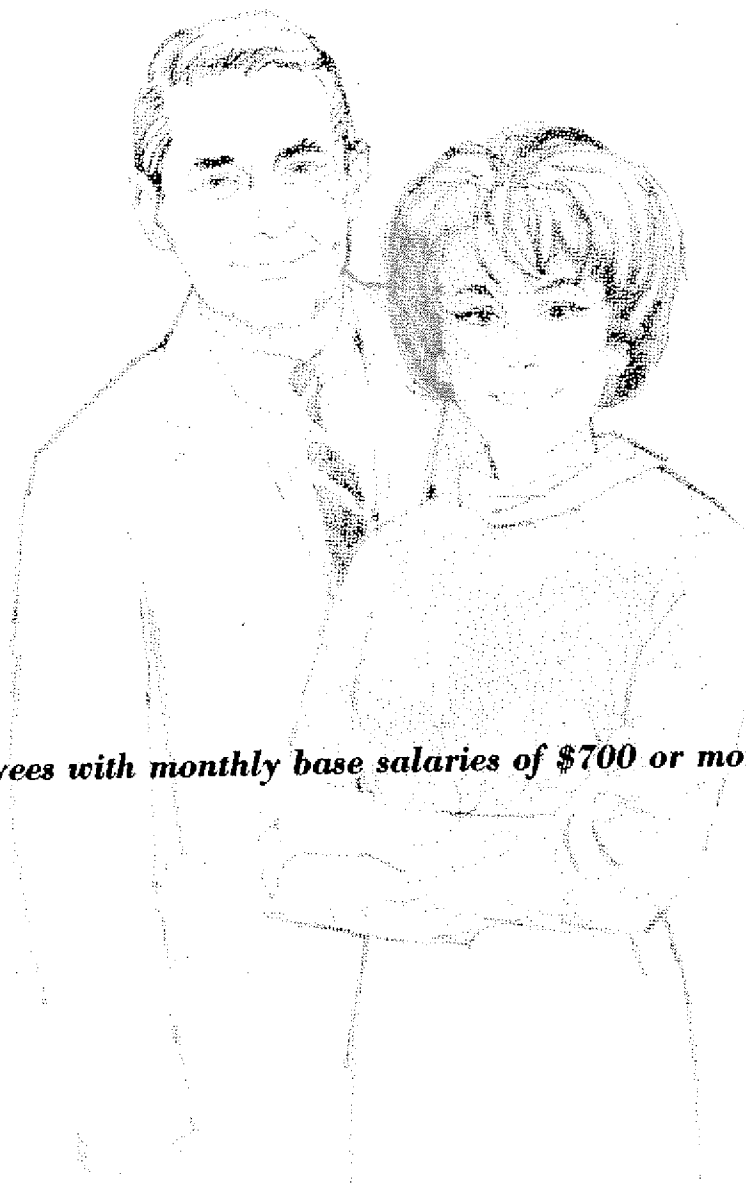


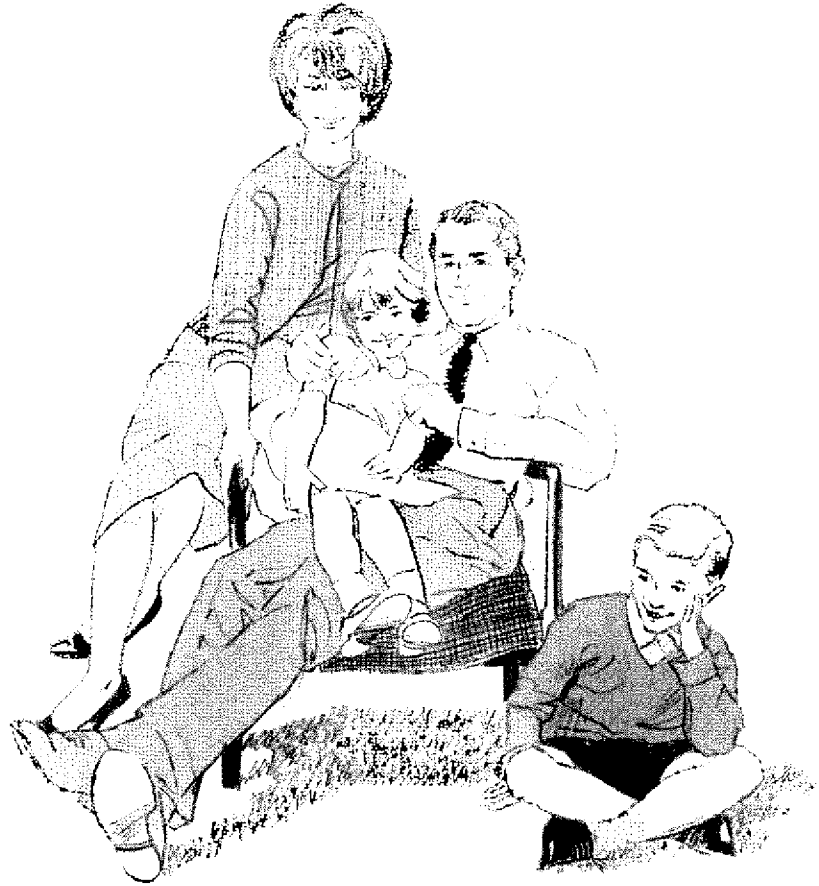
Annex C

The General Motors Canadian

INSURANCE PROGRAM



For salaried employees with monthly base salaries of \$700 or more.



*your GM Canadian Insurance Program
protects you and your family in the event of*

- DEATH
- TOTAL AND PERMANENT DISABILITY
- HOSPITAL, DOCTOR AND DRUG BILLS

PROTECTION FOR YOU



YOUR GM CANADIAN INSURANCE PROGRAM INCLUDES:

- (A) The GM Canadian Group Insurance Plan which provides Life, Extra Accident, and Survivor Income Benefit Insurance
and
- (B) Basic Hospital, Surgical, Medical and Drug Expense Coverages

THE COMPANY* PAYS THE COST

The full cost of your insurance, except life insurance in excess of \$16,300, is paid by the Company while you are at work and during certain periods of layoff and leave of absence.

*"The Company" is the particular General Motors Subsidiary Operating in Canada by which you are employed.

AND YOUR FAMILY

Life Insurance—Insurance equal to two years' base salary.

(See page 7)

Extra Accident Insurance—

An additional benefit equal to one-half your Life Insurance or \$9,600, whichever is less, in the event of death by accident. You may receive up to \$9,600 for accidental loss of certain bodily members or accidental and permanent loss of sight.

(See page 8)

Survivor Income

Benefit Insurance—

A new benefit of \$100 per month payable to your surviving spouse, if such spouse was age 50 or older at your death and was otherwise eligible. This benefit may be payable until age 70.

(See page 9)

Total and Permanent

Disability Benefits—

All or a large part of your Life Insurance paid to you in monthly instalments for up to 50 months if

you are under age 60 and have at least ten Years of Participation at the end of the month in which you become totally disabled. These benefits are in addition to any Company Retirement benefits for which you may also be eligible.

(See page 10)

**Basic Hospital, Surgical,
Medical and Drug
Expense Coverage**

Basic Hospital Expense Coverage

In most situations all of the hospital expenses for you and your covered dependents paid by this coverage for the full period of hospital confinement.

Basic Surgical and Medical Expense Coverage

Full payment or liberal allowances to help you take care of doctor bills and other expenses when you, or a covered member of your family, may need a surgical operation or medical care in the home, doctor's office or hospital.

Drug Expense Coverage

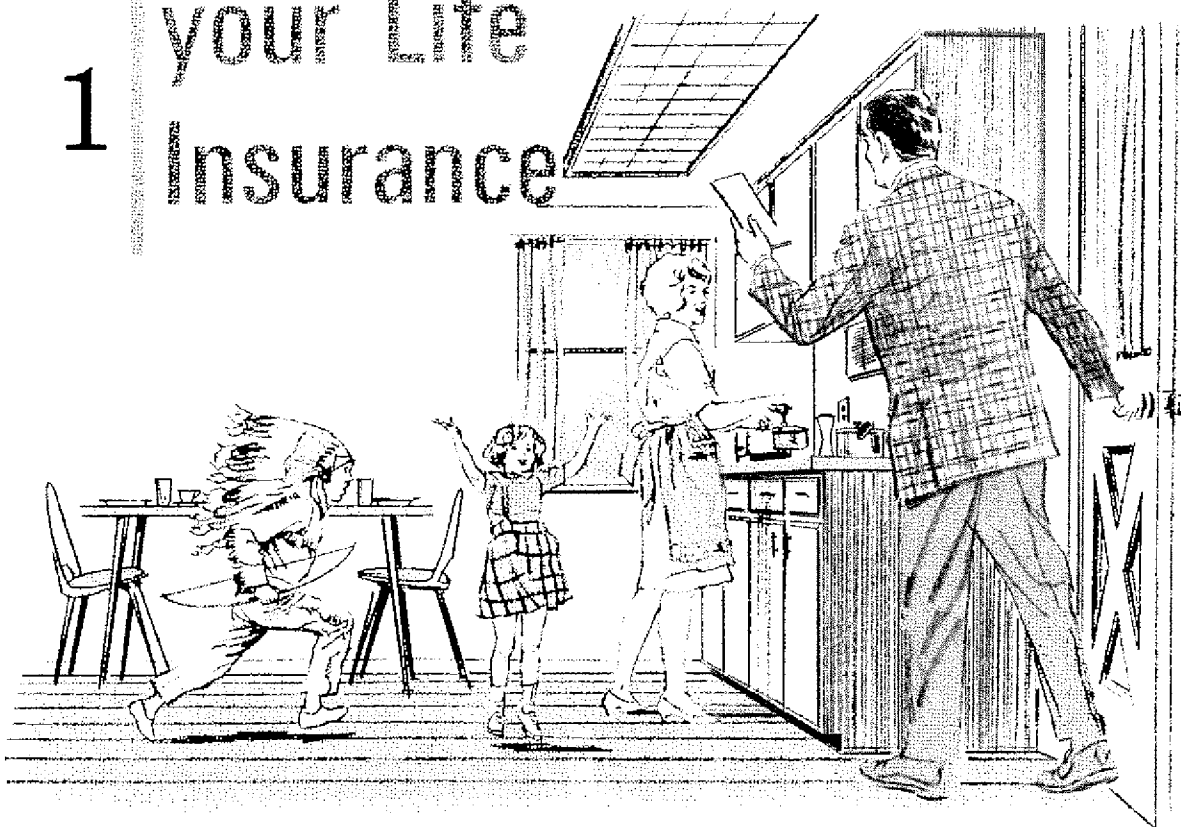
Full payment of your prescription drug expenses in excess of the deductible amounts.

(See page 11)

other important information about your coverages

	<i>see page</i>
■ <i>when coverages start</i>	13
■ <i>when amounts of insurance change</i>	13
■ <i>years of participation</i>	13
■ <i>how to claim benefits</i>	14
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■ <i>continuance of basic hospital, surgical, medical and drug expense coverages for surviving spouse</i>	17

1 your Life Insurance



If you should die while covered for Life Insurance before you are age 65, the beneficiary you have designated will receive benefits equal to 24 times your monthly base salary, or, if your salary is on an annual basis, twice your annual base salary. In the event 24 times your monthly base salary or twice your annual base salary, as the case may be, is not an even multiple of \$100, the amount of your Life Insurance will be raised to the next higher multiple of \$100. This benefit is payable regardless of the cause of your death.

For the purpose of determining the amount of Life Insurance before age 65, base salary does not include overtime, night shift premiums or any Cost-of-Living Allowance.

Life Insurance in a reduced amount is continued for employees and retired employees after age 65 as explained on page 16.

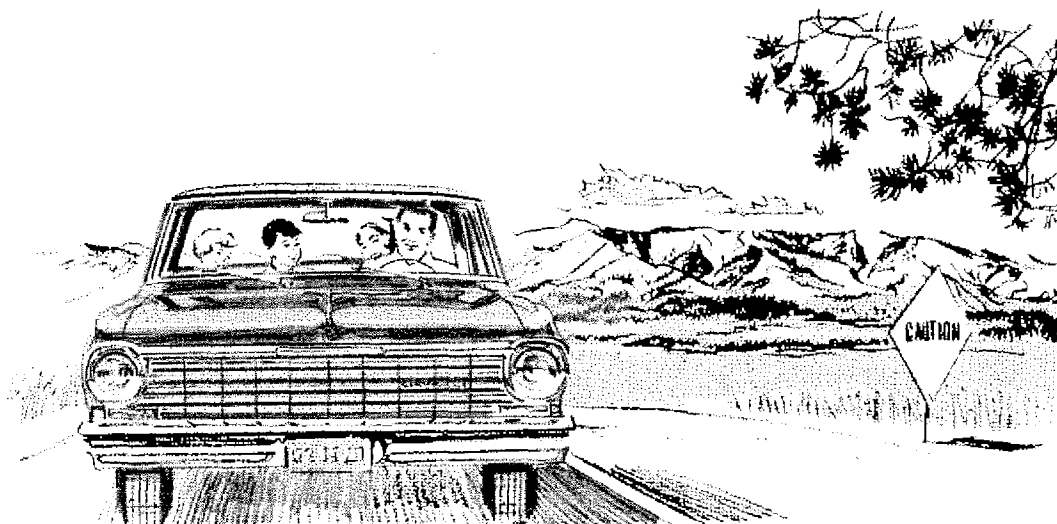
You have the right to designate the beneficiary of your choice, and to change your designation at

any time, subject to the provisions of applicable provincial and federal laws.

This benefit need not be paid to your beneficiary in one lump sum. There are various ways in which you can arrange payments by the Insurance Company. Ask your Personnel Department for a copy of the booklet "Settlement Options under the General Motors Group Insurance Plan," which describes the options available to you. If you do not make such arrangements, your beneficiary can, at the time of claim, make arrangements with the Insurance Company to have the money paid under one of the settlement options then available.

To be sure your beneficiary knows what protection is provided, it would be well to discuss with your beneficiary the Life Insurance coverage you have, as well as the increased amount which would be payable on account of accidental death, and any Survivor Income Benefits which might be payable.

2 | your Extra Accident Insurance



This coverage provides extra benefits for death by accidental means or for loss of certain bodily members or loss of eyesight by accidental means. These benefits are payable whether you are injured on or off the job.

accidental death

If you should die by accidental means, your beneficiary will receive your Extra Accident Insurance in addition to the other benefits payable in the event of death. The amount of your Extra Accident Insurance is one-half of your Life Insurance, up to a maximum of \$9,600.

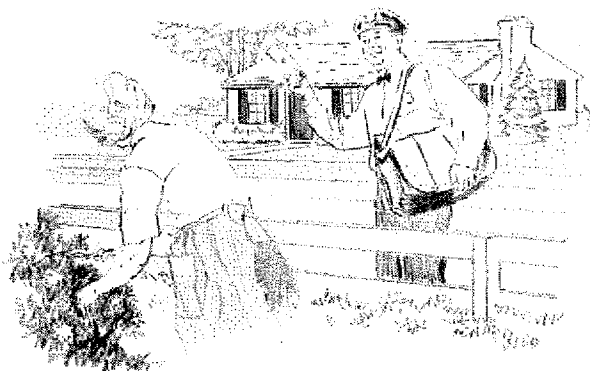
loss of bodily members or eyesight

Your Extra Accident Insurance also provides benefits for loss, by severance, of a hand at or

above the wrist joint or a foot at or above the ankle joint, or the permanent loss of the sight of an eye, if due to an injury caused accidentally. For any one of these losses you will receive one-half of your Extra Accident Insurance. Your full Extra Accident Insurance will be paid to you if you should suffer two or more such losses. If death results from an accident for which you have already received part of your Extra Accident Insurance, your beneficiary will receive the rest of your Extra Accident Insurance.

For Extra Accident Insurance to be payable, your death or loss must occur within one year following the accident and must not be due to disease, self-inflicted injury or any act of war.

3 | your Survivor Income Benefit Insurance



This important new protection is provided if you qualify by having a spouse who would be an eligible survivor at your death. Survivor Income Benefit Insurance payments are in addition to your Life and Extra Accident Insurance. Since this is a new benefit, you will want to read the following description carefully to see how this coverage applies to you.

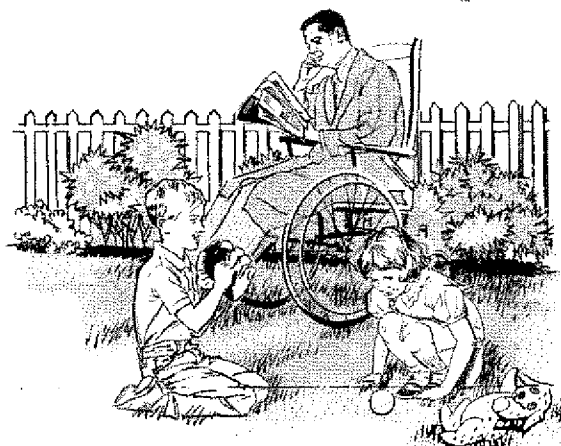
You will have Survivor Income Benefit Insurance while you are insured for Life and Extra Accident Insurance until the end of the month in which you retire or attain age 69, whichever is earlier. However, if you retire under the total and permanent disability provisions of the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada prior to age 60 and are insured, you will continue to have this insurance but only until the end of the month in which you attain age 60.

A Survivor Income Benefit of \$100 per month will be paid to your widow or widower if such survivor was age 50 or older but less than age 70 on the date of your death, and qualifies as an eligible survivor. Your widow will qualify provided she was legally married to you for at least one year

immediately prior to your death. Your widower will qualify provided (i) at the time each monthly Survivor Income Benefit is payable, he has dependent on him for principal support your unmarried child under 21 years of age, or (ii) your income during the calendar year preceding your death was 50% or more of the combined income of you and your husband during such year. The Survivor Income Benefit will be payable commencing on the first day of the calendar month following the month of your death and will cease with the last Survivor Income Benefit payment prior to the earliest of the following:

1. remarriage,
2. attainment of age 70 or such lower age at which full Widow's or Widower's Benefits or Old Age or Total and Permanent Disability Benefits become payable other than on a "needs" basis, under any Federal or Provincial legislation.
3. death, or
4. in the case of your widower who qualifies because of a dependent child, the date he ceases to have dependent on him for principal support your unmarried child under 21 years of age.

your Total and 4 Permanent Disability Benefits



If you are totally and permanently disabled you may receive all or a large part of your Life Insurance in 50 monthly instalments at the rate of \$20 for each \$1,000 of Life Insurance during such disability, provided you became so disabled before the end of the month in which you reached age 60, and had ten or more Years of Participation at the end of the month in which you became so disabled. These benefits are in addition to any Company disability retirement benefits for which you may also be eligible.

For example, if you have \$22,000 of Life Insurance, you would receive \$440 a month for 50 months.

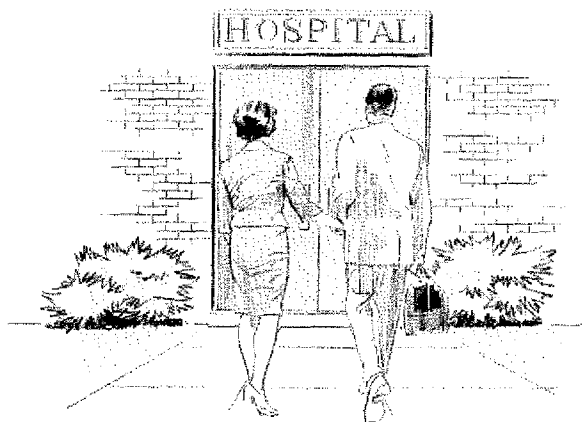
These instalment payments may start as soon as you have been disabled for a period of 12 months and will continue, while you are totally and permanently disabled, for up to 50 months. After your claim for Total and Permanent Disability Benefits is approved, that portion, if any, of your Life Insurance which is not payable in instalments to you will be automatically continued without cost to you while you remain totally and permanently disabled, subject to reductions commencing at age 65, as described on page 16.

If you receive all the instalment payments of Life Insurance to which you are entitled, the Plan provides an additional \$500 which is payable to your beneficiary at the time of your death. Moreover, if you should die before receiving the full 50 monthly instalments, your beneficiary would receive the unpaid balance, but not less than \$500. In either event, that portion, if any, of your Life Insurance not payable in instalments which was continued as outlined above would also be paid to your beneficiary.

Your Extra Accident Insurance will be discontinued when you start receiving the monthly instalments. Your Survivor Income Benefit Insurance, if any, will be continued while you are receiving total and permanent disability benefits under the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada, but not beyond the end of the month in which you attain age 60.

If you should become totally and permanently disabled but do not meet the requirements for receiving your Life Insurance in instalments, see Section titled "If You Go on Disability Leave," on page 15.

5 your Basic Hospital, Surgical, Medical and Drug Expense Coverages



The GM Canadian Insurance Program provides a high level of basic Hospital, Surgical, Medical and Drug Expense protection in each locality for employees and their eligible dependents.

Although the benefits vary somewhat with the local plans, GM provides coverage which is as nearly equal as practicable with the broad coverage provided by local plans for employees in Ontario. Such coverage is provided when available by the local plans in your community.

Where a local plan makes available basic Hospital, Surgical, Medical and Drug Expense coverage for special dependents (certain other dependents not included as "eligible dependents"), the Company may make such special dependent coverage available to employees subject to the

terms and limitations of the local plans. Such employees pay the full monthly premium or subscription charge for the special dependent coverage for which they enroll. Payment* for such coverage is by pay roll deduction while the employee is actively at work.

The basic Hospital, Surgical, Medical and Drug Expense benefits summarized on the following page are those available to employees under the local plan in Ontario. These benefits are representative of the benefits available to Company employees in most local plan areas.

You will want to read the certificate or other literature provided by the local plans in your area for more detailed information as to the benefits which are currently available to you.

*Subject to the provisions of applicable Provincial laws and regulations.

Supplementary coverages for reasonable and necessary medical expenses are provided under the Comprehensive Medical Expense Insurance Program of General Motors Subsidiaries Operating in Canada. These coverages are described in a separate booklet, and all references to Hospital, Surgical, Medical and Drug Expense benefits in this booklet apply only to basic coverages.

basic hospital expense coverage

Hospital coverage is provided for employees in Ontario under the Hospital Care Insurance Plan of the Ontario Hospital Services Commission and the Blue Cross Supplementary (Semi-Private Accommodation) Plan. The coverages provide for unlimited days of hospital care including "in-patient services" such as:

- Semi-Private room accommodation.
- Necessary nursing services.
- Necessary laboratory, radiological and other diagnostic procedures, drugs, biologicals and related preparations prescribed by attending physician.

- Use of operating room, case room and anaesthetic facilities.
- Routine surgical supplies.
- Use of radiotherapy and physiotherapy facilities when available.
- In addition certain "out-patient services" are provided for an out-patient when required for emergency diagnosis and treatment within 24 hours after an accident.

When confined in a hospital outside of Ontario, reimbursement will be made up to the value of similar care in a comparable hospital in Ontario.

basic surgical and medical expense coverage

Surgical and Medical Expense coverage is provided for employees in Ontario under the Medical, Surgical and Obstetrical Services Plan of Physicians' Services Incorporated.* The coverage provides for payment (generally full payment) for services such as those set forth below when rendered by a participating P.S.I. physician in office, home or hospital for you or eligible dependents:

- Diagnosis of disease, injury or condition.
- Medical care for illness.
- Consultations.
- Surgical operations (any cutting procedure).
- Services of anaesthetists.
- Confinements (childbirth), and pre-natal and post-natal care.

- Treatment of fractures and dislocations including X-ray services.
- X-ray—up to \$50 per person in any 12 months period for diagnosis.
- Deep X-ray therapy when authorized by P.S.I.
- Refractions—i.e., testing for eye glasses.

Services such as confinements, eye tests, tonsillectomies, etc., require enrollment for periods of between 6 to 12 full consecutive months prior to date such services are rendered. Read the Certificate provided by Physicians' Services Incorporated* for more detailed information as to the benefits which are currently available to you.

*For employees in the Windsor area the coverage is provided by Windsor Medical Services Inc.

basic drug expense coverage

Drug Expense coverage is provided under the Ontario Hospital Association's Blue Cross Prescription Drug Plan Contract. The coverage provides for payment (in excess of the deductible amounts specified later, which employee pays) for drugs, serum and injectibles purchased on the prescription of a medical doctor for the use of the subscriber or an eligible dependent under the plan. The plan will reimburse the full cost of all eligible

drug bills for each person covered by the plan, over and above the deductible amount for each person, which is \$10 in any benefit year. A benefit year is any period of 12 consecutive months, beginning with the date of the first drug bill for which you claim reimbursement. Bills may be combined to satisfy a maximum family deductible of \$20 in any one year.

OTHER IMPORTANT INFORMATION ABOUT YOUR COVERAGES

when coverages start

To become insured under the GM Canadian Group Insurance Plan, just fill out and return the enrollment card that will be given to you. Your insurance will start on the first day of the month next following the month in which employment commences, provided you are then actively at work. If you have enrolled and are not actively at work on the date your insurance would normally become effective, you will become insured on the date you return to work, unless you are then considered as a new employee under the terms of the Plan.

When you enroll for the basic Hospital, Surgical, Medical and Drug Expense coverages which the GM Canadian Insurance Program provides, be sure to list all your eligible dependents. Also, be sure to tell the Personnel Department promptly when you have a new dependent because of marriage, or birth of a child, or when a member of your family is no longer eligible for coverage.

when amounts of insurance change

Your base salary, which does not include overtime, night shift premiums or any Cost-of-Living Allowance, on the date you become insured determines the amount of your Life and Extra Accident

Insurance under the GM Canadian Group Insurance Plan.

An increase in your insurance because of a change in your base salary will become effective immediately. A decrease in your insurance because of a reduction in your base salary will not become effective until the first day of the following month. If you are not actively at work on the date an increase or decrease would otherwise become effective, the change will be effective on the date you return to work unless you are then classed as a new employee under the Plan. No change in the amount of your Life or Extra Accident Insurance because of changes in base salary will become effective after you attain age 65.

years of participation

Certain benefits and continuation rights depend on your Years of Participation in the GM Canadian Group Insurance Plan.

For service prior to September 1, 1950, Years of Participation are, in general, equal to your recognized length of service at September 1, 1950.

For service after September 1, 1950, you will receive credit for any period for which you are insured for Life Insurance, plus any period during

which you are not insured while on military leave of absence or receive Total and Permanent Disability benefits under the Plan. You receive credit only for periods prior to the end of the month in which you reach age 65. If you are not insured for Life Insurance for the whole of a period in excess of 24 consecutive months and your recognized length of service is broken, you will lose credit for Years of Participation for any period prior to a reinstatement of insurance. If you return to work with unbroken recognized length of service, there will be no loss of credit.

how to claim benefits

Proof of disability or death must be furnished as required by the Insurance Company. The claim forms may be obtained through your Personnel Department.

insurance certificates

You will receive certificates describing your insurance under the Group Policies issued to General Motors Corporation by the Metropolitan Life Insurance Company, and certificates describing your basic Hospital, Surgical, Medical and Drug Expense coverages.

definition of eligible dependents

Subject to approval by the local plans, effective November 1, 1966, the definition of eligible children will be broadened to include "children under 25 years of age, or at any age if totally and permanently disabled, who are unmarried, legally residing with and dependent on the employee and must either qualify in the current year as a dependent under the Canadian Income Tax Act for establishing the employee's withholding tax exemptions or have been reported as a dependent on the employee's most recent income tax return".

if you are laid off

your life, extra accident and survivor income benefit insurance can be continued

Your Life, Extra Accident and Survivor Income Benefit Insurance will be continued for the first

month following the month in which you are laid off. The Company will pay for the first \$16,800 of Life Insurance and your contribution is 50 cents for each \$1,000 of Life Insurance in excess of \$16,800. Then you may keep your insurance for the next 11 months if you are on layoff that long, provided you pay, if you are under age 65, the required monthly contribution of 50 cents for each \$1,000 of the full amount of your Life Insurance. However, your Survivor Income Benefit Insurance will not be continued beyond the end of the month in which your recognized length of service is cancelled because of retirement or you attain age 69, whichever is earlier.

your basic hospital, surgical, medical and drug expense coverages can be continued

While you are on layoff and your recognized length of service remains unbroken, you may keep your basic Hospital, Surgical, Medical and Drug Expense coverages in effect for a maximum period equal to your recognized length of service as of the last day worked, but not to exceed 24 months beyond the last month of coverages for which the Company contributed for you while you were in active service. If you have been employed for less than six months, you may continue your coverages for one month for each full month from your date of hire to the last day worked.

During the period in which coverages may be continued, as set forth above, contributions will be payable as follows:

- If you have less than one year of recognized length of service, you must pay one-half the monthly premium or subscription charge.
- If you have one year of recognized length of service but less than two years, the Company will contribute the full cost for one month for each two full months of your recognized length of service; you must pay one-half the cost for the balance of the first 12 months and the full cost thereafter.
- If you have two years or more of recognized length of service, the Company will contribute the full cost for the first 12 months and you must pay the full cost thereafter.

if you go on disability leave

your life, extra accident and survivor income benefit insurance can be continued

Your Life, Extra Accident and Survivor Income Benefit Insurance will be continued for any period during which you are entitled to receive the Company salary payments while totally disabled or, if longer, while you are totally and continuously disabled and remain on an approved disability leave of absence, but not to exceed the period equal to your Years of Participation as of the first day of disability. During such continuance the Company will pay for the first \$16,800 of Life Insurance and your monthly contribution will be 50 cents for each \$1,000 of Life Insurance in excess of \$16,800.

If you continue to be totally disabled after the expiration of the longer of the periods above, and your Years of Participation as of the end of the month in which you became disabled exceed the period for which your insurance has been continued during your disability, all your insurance under the GM Canadian Group Insurance Plan may be continued on a basis determined by your Years of Participation as of the end of the month in which you became disabled, as follows:

(1) If you had less than ten Years of Participation, you may continue such insurance for any balance of a period of one year from the end of the month in which you became disabled, or, if longer, for the balance of a period equal to your Years of Participation but not beyond the end of the month in which you attain age 65. During the balance of either such period, your monthly contribution is 50 cents for each \$1,000 of the full amount of your Life Insurance.

(2) If you had ten or more Years of Participation, you may continue such insurance up to the end of the month in which you attain age 65. During this period, your monthly contribution is 50 cents for each \$1,000 of the full amount of your Life Insurance; however, if you become totally and permanently disabled at or after age 60 but prior to age 65, or prior to age 60 and elect not to receive Total and Permanent Disability benefits under the GM Canadian Group Insurance Plan, the Company will pay the full cost of your insurance until the end of the month in which you attain age 65. After age 65 you will have, without cost to you, the Life Insurance described on page 16.

Your Survivor Income Benefit Insurance will not be continued beyond the end of the month in which you attain age 69. Nor will it be continued beyond the end of the month in which you retire, unless such retirement is prior to age 60 and under the total and permanent disability provisions of the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada. In that case your Survivor Income Benefit Insurance can be continued to the end of the month in which you attain age 60.

your basic hospital, surgical, medical and drug expense coverages can be continued

While on an approved disability leave of absence, you may continue basic Hospital, Surgical, Medical and Drug Expense coverages for yourself and your eligible dependents provided you are totally and continuously disabled. If you have at least 6 months of recognized length of service on the last day worked, the Company will pay the full monthly premium or subscription charge for coverages you continue under the Program during an approved disability leave of absence but not to exceed the period equal to your recognized length of service when the absence commenced. You must contribute one-half the monthly premium or subscription charge for the coverages continued in any month in which the Company does not pay the full cost.

if you go on leave of absence other than for disability

your life, extra accident and survivor income benefit insurance can be continued

During the first month of an approved leave of absence other than for disability, your Life, Extra Accident and Survivor Income Benefit Insurance will be continued. The Company will pay for the first \$16,800 of Life Insurance and your contribution is 50 cents for each \$1,000 of Life Insurance in excess of \$16,800. You may continue all your insurance for up to 11 additional months thereafter by making your monthly contribution of 50 cents for each \$1,000 of the full amount of your Life Insurance. However, your Survivor Income Benefit Insurance will not be continued beyond the end of the month in which your recognized length of service is cancelled because of retirement or you attain age 69, whichever is earlier.

your basic hospital, surgical, medical and drug expense coverages can be continued

Your basic Hospital, Surgical, Medical and Drug Expense coverages may be continued during a leave of absence for reasons other than disability for up to 12 months following the last month of coverages for which the Company contributed for you while you were in active service, provided your recognized length of service remains unbroken. To continue such coverages, you must contribute one-half the monthly premium or subscription charge each month.

*additional continuance
privileges*

age 55 to 65

If you retire under the provisions of the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada at or after age 55 but prior to age 60, at the option of the Company, or voluntarily if your combined years of age and service total 85 or more, and you were insured from age 55 to the date you retire, you may continue your Life and Extra Accident Insurance to the end of the month in which you attain age 65, provided you pay the required monthly contribution of 50 cents for each \$1,000 of the full amount of your Life Insurance.

If you cease active work at or after age 60 but prior to age 65, had five or more Years of Participation at the end of the month in which you attained age 60 and were insured from age 60 to the date you cease active work, you may continue your Life and Extra Accident Insurance after you leave the Company to the end of the month in which you attain age 65. Your Survivor Income Benefit Insurance may be continued along with your Life and Extra Accident Insurance, but not beyond the end of the month in which you retire. In any month for which the Company does not pay for the first \$16,800 of your Life Insurance during layoff, leave of absence or disability, your contribution is 50 cents for each \$1,000 of the full amount of your Life Insurance.

At age 65 your Life Insurance, subject to the reductions described below, will continue under the Plan for the rest of your life and the Company will pay the full cost.

after age 65

If you have ten or more Years of Participation at the end of the month in which you attain age 65, your Life and any Extra Accident Insurance will be reduced each month, at the rate of 2% of the amount you had at age 65, beginning with the first day of the month following your 65th birthday. For example, if you have \$28,000 of Life Insurance, it will be reduced by \$560 each month and your Extra Accident Insurance of \$9,600 will be reduced by \$192 each month.

Your Life and Extra Accident Insurance will be reduced to an amount determined by your Years of Participation at the end of the month in which you attained age 65. If you had ten Years of Participation, your insurance will be reduced to 15% of the insurance you had at the end of the month in which you attained age 65. If you had more than ten Years of Participation, such percentage will be increased by $1\frac{1}{8}\%$ of the insurance you had at the end of the month in which you attained age 65 for each Year of Participation over ten, until it reaches a maximum of 30% for 20 Years of Participation. In no event will your Life Insurance be reduced below \$1,500 (or the amount you have left after receiving any Total and Permanent Disability benefits, if lower), and it will continue under the Plan for the rest of your life.

For example, if you had \$28,000 of Life Insurance at the end of the month in which you attained age 65 and had 20 or more Years of Participation, your Life Insurance would not be reduced below \$8,400, and your Extra Accident Insurance would not be reduced below \$2,880. If you had ten Years of Participation, your Life Insurance would not be reduced below \$4,200, and your Extra Accident Insurance would not be reduced below \$1,440.

Your Extra Accident and Survivor Income Benefit Insurance will be discontinued at the end of the month in which you cease work, unless you have a further continuance privilege during layoff, leave of absence or disability. In no event, however, will your Extra Accident and Survivor Income Benefit Insurance be continued after the end of the month in which you retire or attain age 69.

If you have less than ten Years of Participation at the end of the month in which you attain age 65, your Life and Extra Accident Insurance will be reduced by 2% each month while you remain insured to a minimum of 15% of the insurance

you had at the end of the month in which you attained age 65. Your Life, Extra Accident and Survivor Income Benefit Insurance will be discontinued at the end of the month in which you cease work, unless you have a further continuance privilege during layoff, leave of absence, or disability.

if your life insurance is discontinued

If your Life Insurance under the Plan is discontinued while you are not actively at work, you may convert all or any part of your Life Insurance, plus an amount equal to any Survivor Income Benefit Insurance for which you are covered at the time your Life Insurance is discontinued, within 31 days thereafter to an individual policy *without medical examination*. This means that the Metropolitan Life Insurance Company will issue an individual life insurance policy to you regardless of the state of your health.

You may choose any type of life insurance policy (except term insurance) then being issued by the Insurance Company. The new policy will be without Disability or Accidental Means Death benefits. The cost to you for such individual policy will depend upon the amount and type of policy you select and your class of risk and age at that time.

The individual policy will not become effective until the end of the 31-day period following discontinuance of your Life Insurance. However, if you die during this 31-day period, the amount of Life Insurance that was discontinued under the GM Canadian Group Insurance Plan as well as any Survivor Income Benefit Insurance for which you were covered will be paid whether or not you applied for an individual policy.

basic hospital, surgical, medical and drug expense coverages during retirement

If you retire and are eligible to receive retirement benefits under the provisions of the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada relating to retirement at or after age 60; or retirement at or after age 55 but prior to age 60, at the option of the

Company, or voluntarily if your combined years of age and service total 85 or more; or under the retirement provisions relating to total and permanent disability; or if you terminate your employment at age 65 or older for any reason other than a discharge with insufficient credited service to entitle you to a GM retirement benefit, the Company will pay the full monthly premium or subscription charge for your basic Hospital, Surgical, Medical and Drug Expense coverages.

If you retire voluntarily at or after age 55 but prior to age 60 but your combined years of age and service total less than 85, and you elect to have retirement benefits start immediately or if you retire at or after age 60 but prior to age 65 and are not eligible to receive retirement benefits, you may continue your basic Hospital, Surgical, Medical and Drug Expense coverages by contributing the full monthly premium or subscription charge to the Company location from which you retired.

continuance of basic hospital, surgical, medical and drug expense coverages for surviving spouse

If you should die while insured as an employee, your surviving spouse may continue basic Hospital, Surgical, Medical and Drug Expense coverages for self and eligible dependent children for two years or, if longer, for as long as (1) Survivor Income Benefits are payable, or (2) Survivor's Benefits are payable under the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada. Your surviving spouse must contribute the full premium or subscription charge each month for such continued coverages.

If you should die while receiving a retirement benefit (other than a deferred vested retirement benefit) under the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada or following termination of employment at age 65 or older for any reason other than a discharge with insufficient credited service to entitle you to a GM retirement benefit, your surviving spouse may continue coverages for life for self and eligible dependent children. Your surviving spouse must contribute the full premium or sub-

scription charge each month for such continued coverages.

Arrangements may be made to have such contributions deducted from your spouse's monthly survivor benefit payments, if any, under the Retirement Program for Salaried Employees of General Motors Subsidiaries Operating in Canada.

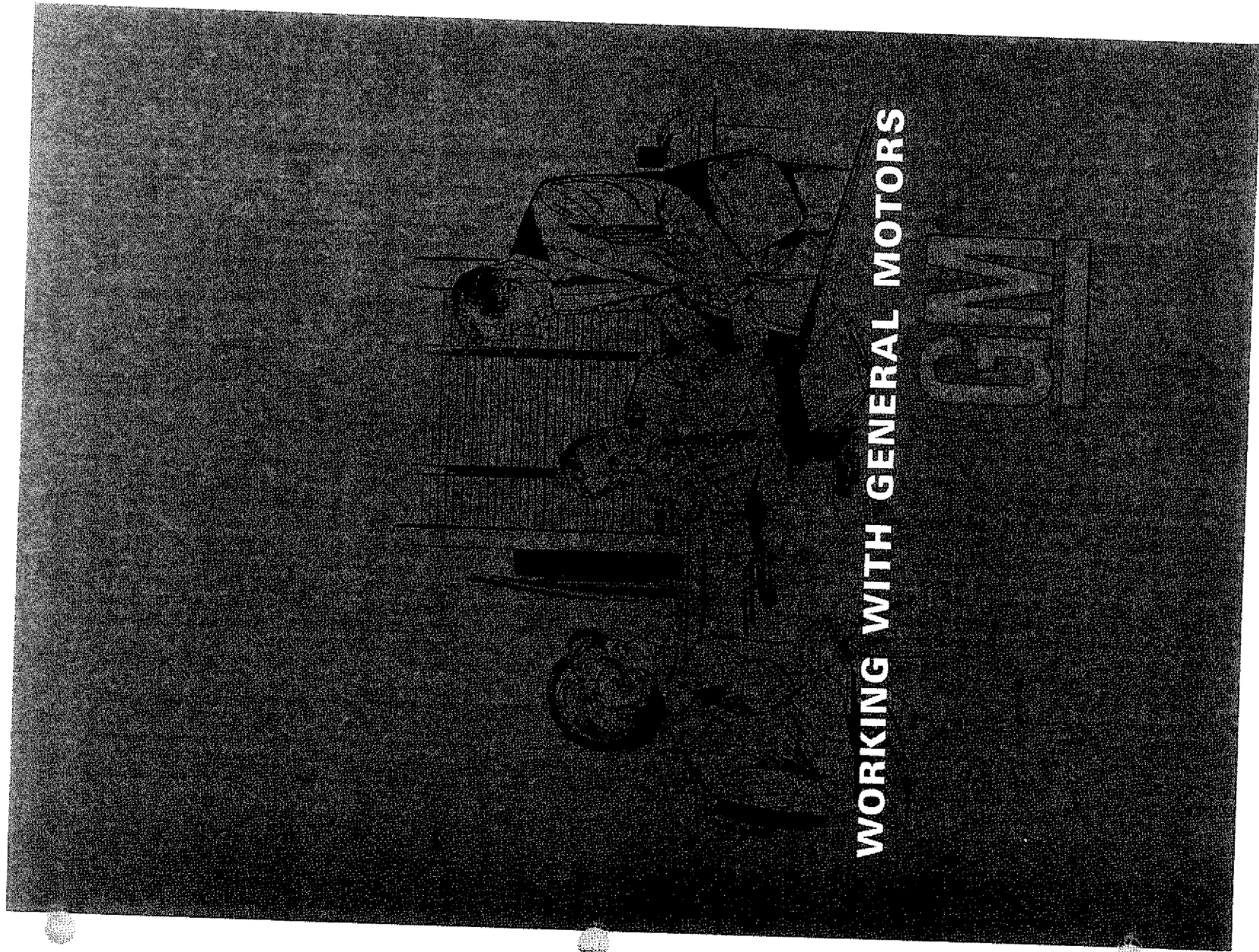
Disability benefits laws

If any Federal or Provincial legislation is enacted or amended to provide disability, hospital, surgical, medical or drug expense benefits similar to those described in this booklet, benefits will be subject to modifications.

This announcement summarizing the GM Canadian Insurance Program is presented as a matter of general information only. The detailed terms and conditions of the General Motors Canadian Insurance Program for Salaried Employees as now or hereafter modified or supplemented and the Group Contracts issued pursuant thereto shall govern with respect to all matters referred to in this booklet.

The Company believes wholeheartedly in this Insurance Program for GM men and women, and expects to continue the Program indefinitely. However, it reserves the right to modify, revoke, suspend, terminate, or change the Program, in whole or in part, at any time, except as limited by the provisions of the Group Contracts, or their supplements, and the provisions of any applicable Federal or Provincial laws.

Annex D



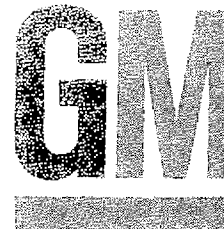
In the course of your career with General Motors, questions may arise regarding GM policies and procedures as they apply to you. It is hoped this booklet will provide you with answers to many such questions. In any event, you will find it worth reading now —and keeping for future reference.

Revised April, 1966

This handbook ("Working with General Motors") supersedes in all respects all previously published editions of handbooks for General Motors salaried men and women dealing with employment policies and procedures.

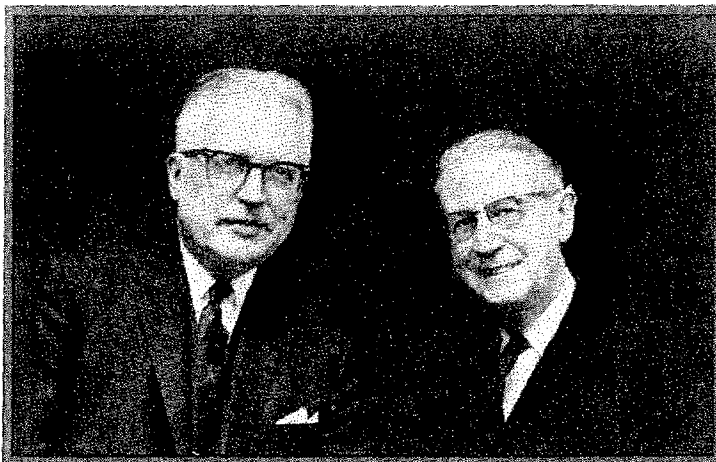
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**A HANDBOOK FOR
GM SALARIED MEN AND WOMEN
IN THE UNITED STATES**

**TO EACH
SALARIED EMPLOYEE:**



FREDERIC G. DONNER

JAMES M. ROCHE

This handbook reviews for you the personnel policies and procedures that guide our relationships as we work together in GM. You will also read about some of the advantages enjoyed by GM salaried employees, their responsibilities, and the opportunities available to those ready and able to accept them.

We believe that a job with General Motors means more than good pay, good working conditions and good employee benefit plans. These are important. But working with General Motors offers considerations of a higher order—the satisfaction to be gained from a job that calls forth your best efforts . . . the prestige you enjoy as part of a great enterprise and a sense of pride from sharing in its achievements . . . the help and cooperation of supervisors and fellow employees . . . a high degree of job security along with unusual opportunity to develop your abilities and have them recognized and rewarded.

In this climate of accomplishment, GM people find it easy and natural to apply themselves to the job at hand with enthusiasm. They *want* to do their best. It is this individual desire for excellence that has brought success to General Motors and its people. Our future depends upon the continuation and growth of such attitudes throughout GM.

Through the years, GM personnel policies and practices have been keyed to one basic principle—a sincere belief on the part of management that, whatever your job may be, **YOU ARE IMPORTANT**. We want you to recognize your own potential, and work toward its fulfillment.

We hope that your career will bring you the deeply rewarding and satisfying experience that can be yours—working with General Motors.

President

Chairman

OPPORTUNITIES AHEAD

Working with General Motors you are part of a dynamic, growing Corporation. This growth and progress means a steady flow of opportunities for better jobs. GM is always looking for people of ability and character who can grow with GM and take on broader duties and responsibilities.

GM's policy is to fill openings by promotions from within the Corporation whenever

possible. Employees who show special ability and a capacity for growth, and who prepare themselves for the job ahead, can advance to bigger and better jobs in General Motors.

Many opportunities lie ahead in GM. Your individual progress will be as great as you make it through your contribution to the success of the business.



If you are ambitious to make progress, you will find that General Motors is anxious to help you do so. GM is vitally interested in seeing that you develop your talents and abilities so that you will become increasingly valuable to yourself and to the Corporation.

GM endeavors to provide the kind of environment that will encourage the sound and steady development of each individual.

It is up to you to provide the initiative, energy and perseverance you need in order to learn and grow.

The environment provided by GM includes the following elements:

- *Continuous on-the-job guidance and training.* This is an important part of your supervisor's job. You will learn much from him and from others around you who pass



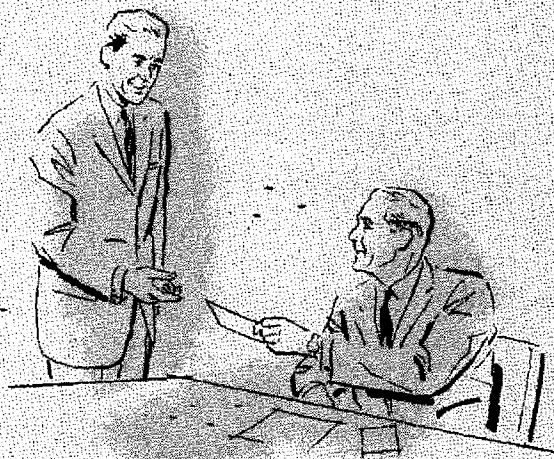
along their knowledge and skill to you.

- *Periodic review and appraisal* of your job performance and your qualifications for other responsibilities in the future. Your supervisor will discuss your performance with you so that you will know where you stand and how you are doing.
- *Training programs* conducted within offices and plants, or at General Motors Institute, covering a variety of subjects to help you in your work.
- *The GM Tuition Refund Plan*, which provides financial aid for those who want to

continue their formal education. You may wish to work toward a college degree or take special courses in subjects *related to your work*. If you take, and successfully complete, one or more courses that have been approved and that qualify under the Tuition Refund Plan, GM will refund to you the full amount of the tuition and compulsory fees you pay for such courses, up to \$250 per year.

Your supervisor will be glad to talk with you about the training that will be helpful in your development.

YOUR SALARY



GM makes a sincere effort to pay people fairly. It has established a position classification system with salary ranges which provide for adequate differentials among positions of varying responsibilities. This permits individual consideration so that each employee is paid in accordance with his responsibilities and performance.

When you start to work for General Motors, you are paid a salary related to your immediate responsibilities. From then on your salary progress depends upon how successfully you as an individual apply yourself. Your salary will be reviewed periodically. Merit increases will be granted in recognition of improved performance. At your request, your supervisor will inform you of your present classification and its salary range. Qualifying for promotion to a more responsible position will provide you with further opportunity to increase your salary.

Under currently existing Corporation policies, certain employees are eligible for a cost-of-living allowance, which is computed on the basis of the Consumer Price Index of the U.S. Bureau of Labor Statistics and is paid quarterly; and for overtime and night shift premiums. The application and operation of these policies will be explained to you by your supervisor upon request.

Bonus Plan

As responsibilities increase, incentive compensation is also a possibility through the General Motors Bonus Plan. Under this Plan, employees who have attained the minimum salary eligibility level established yearly by the Bonus and Salary Committee are eligible for con-

sideration for bonus awards. In recent years, about 15,000 salaried employees each year have been granted such awards in recognition of their performance and contribution to the success of General Motors. The amount available for distribution through the Bonus Plan depends upon GM's earnings.

GM SUGGESTION PLAN

The General Motors Suggestion Plan provides eligible employees an opportunity to receive awards for adopted suggestions which improve safety, quality, tooling, forms, and procedures,

or which save time, material, supplies and the like. Your supervisor will be glad to give you additional information about this Plan and your eligibility.

For further information, see the publication: "How to Use Your Idea Pay-off Machine."

EMPLOYEE BENEFIT PROGRAMS

Subject to the established eligibility requirements you will, as a General Motors salaried employee, enjoy the very real advantages of three major benefit programs:

- 1. The Insurance Program**
- 2. The Savings—Stock Purchase Program**
- 3. The Retirement Program**

GM contributes substantially to the cost of providing benefits under each of these programs, and pays the entire cost of administering them.

You will find that these programs offer invaluable help in your efforts to gain financial security for yourself and your family. They are designed to help you help yourself—not to replace individual initiative and responsibility.

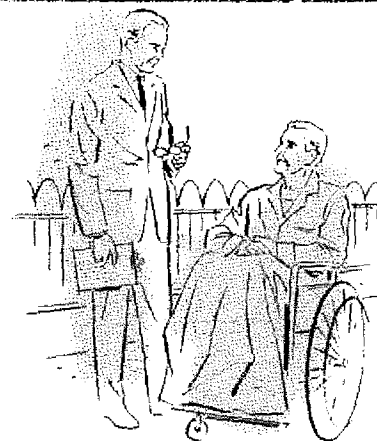
On the following pages you will find a brief description of each of these programs. More complete information about each is provided in separate booklets which are available to you. You owe it to yourself to be informed about how these programs can affect you and your family.



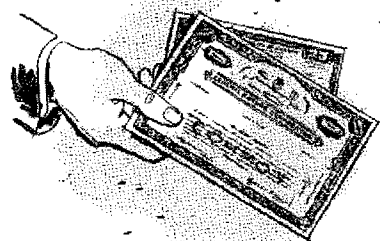
THE GENERAL MOTORS INSURANCE PROGRAM

General Motors offers, at relatively little cost to you, substantial protection against loss of income or heavy expense caused by sickness, injury or death. Subject to certain eligibility requirements, you may obtain the following kinds of protection through the GM Insurance Program:

1. Life Insurance equal to about twice your annual base salary.
2. Survivor Income Benefits under certain circumstances.
3. Continued Life Insurance after age 65 equal to 15% to 30% of your Life Insurance.
4. Extra Accident Insurance paid in case of death, or certain injuries, caused accidentally.
5. Sickness and Accident Insurance to provide income while you are unable to work because of sickness or injury. (Not applicable to employees with monthly base salaries of \$750 or more for whom a salary continuation policy applies.)
6. Your Life Insurance paid to you in installments in case of total and permanent disability before age 60.
7. Basic Hospital, Surgical and Medical Expense benefits for you and your dependents, plus important supplementary coverages under the Comprehensive Medical Expense Insurance Program.



For further information, see the following publications: "The General Motors Insurance Program," and "Your Comprehensive Medical Expense Insurance Program."



YOUR GM SAVINGS— STOCK PURCHASE PROGRAM

The General Motors Savings—Stock Purchase Program provides a sound and systematic way for you to build up your savings and at the same time become an owner of the business.

You may save up to 10% of your salary by payroll deductions or by cash contributions. To help your savings grow, General Motors contributes \$1 for every \$2 you save. All of this money is turned over to a Trustee

for investment. Of the amount you save, one-half is invested in U.S. Government obligations. The other half is invested in General Motors common stock. All of the amount contributed by GM is invested in General Motors common stock. Dividends and interest on these investments are credited to your account.

Through this Program you share in the benefits of stock ownership in GM. And you get the important advantage of GM's contribution added to your own savings.

The "Highlights" and the "Complete Text" of the Program are contained in the booklet,

"Your GM Savings - Stock Purchase Program." This booklet is available to all salaried employees. In addition, a prospectus containing financial information about the Program and the operations of GM is issued each year and delivered to each salaried employee at that time.

YOUR GM RETIREMENT PROGRAM

The Retirement Program has two parts.

Part 1 of the Program provides income for life for salaried employees with 10 or more years of service who retire under the Program or who become totally and permanently disabled. GM pays the entire cost of these benefits. To receive full benefits under Part 1, you must contribute under Part 2 while eligible.



Part 2 of the Program provides additional retirement income for participating salaried employees. GM and employees share the cost of the Part 2 benefits.

For further information, see the publication: "Your GM Retirement Program."



WORKING CONDITIONS

Safe, pleasant and efficient working conditions are the constant aim of General Motors.

Safety is a vital consideration throughout GM. An active and vigilant safety program carried on for many years has made our plants and offices among the





safest in industry. This is attested to by the frequency with which General Motors has received the National Safety Council's Award of Honor for "outstanding safety performance." National Safety Council records show that you are safer while at work with GM than you are in your own home.

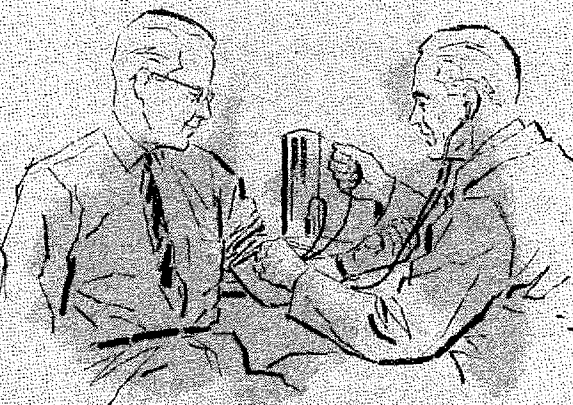
General Motors believes in providing its employees with the finest equipment we can buy or create. Many millions of dollars are spent each year in a continuing program of modernization aimed at making the work more pleasant and less burdensome—and the product itself better and safer.

YOUR HEALTH

All plant and most general office locations in GM have modern medical departments staffed by qualified physicians and trained nurses.

These departments provide medical attention to employees at work. They also give physical examinations prior to employment and are available for further consultation thereafter.

The purpose of these services—available to GM employees at no cost—is not to replace those of your family doctor but to provide additional help in maintaining your health.



The Industrial Medical Association has awarded GM the Health Achievement in Industry Award in recognition of GM's pioneering in the field of industrial medicine.

PREGNANCY LEAVE

A great many salaried positions in General Motors are held by women. GM policy protects the "length of service" of its women employees when they leave work because of pregnancy.

A special leave of absence for pregnancy, without pay, will be granted to an employee who requests it, for a period of up to 12 months. If, before the expiration of the leave

of absence, she wishes to return and is able to return to work, she will be offered employment to fill a vacancy for which she is qualified. If there is no suitable vacancy, the employee will be placed on layoff status and will be considered for future employment in line with her qualifications and length of service.

If the employee is not physically able to return by the time her leave expires, she may

ask for an extension of the leave until such time as she is able to return. The total time of the original leave and extensions may not exceed 12 months or the length of service the employe had at the beginning of the leave, whichever is greater, up to a maximum of five

years. Of course, in order to protect her length of service, the employe must return, if she is physically able to do so, within the period of her leave and must accept suitable employment when offered.

VACATIONS and HOLIDAYS

All salaried employes who will have been with GM a year or more as of October 1 of the current calendar year are eligible for at least two weeks' vacation with pay during that year.

Following is the vacation eligibility table for salaried employes:

LENGTH OF SERVICE*	AMOUNT OF VACATION
1 year but less than 3	2 weeks
3 years but less than 5	2½ weeks
5 years but less than 10	3 weeks
10 years but less than 15	3½ weeks
15 or more years	4 weeks

*As of October 1 of current year

Vacations for employes hired after October 1 of the previous year are determined as outlined on page 24.

General Motors employes who are not on a temporary basis are paid for nine full holidays each year. For further information on holidays recognized in General Motors, see page 24.



YOUR JOB SECURITY

The job security of each of us is related to the success of the business and our individual contribution toward it. A company that does not compete successfully in business and does not make a profit will not be able to provide job security to its employes or investment security to its shareholders.

General Motors' past record of employment security is good, and GM hopes to keep it that way. One of GM's most important investments is in its people. If conditions should make necessary a reduction in force, General Motors' policy provides that salaried employes

whose performance is satisfactory, but who cannot be retained, will be classified as layoffs.

A salaried employe with length of service of six months or more who must be laid off will be placed on inactive status for a period equal to his length of service or 12 months, whichever is less. If he returns to the active roll within that period, the period of inactive status will be included in his length of service. If not returned to the active roll within that period, he will be separated as a layoff. In cases where an employe is separated as a



layoff, his length of service will be re-established if he is returned to the active roll within a period which does not exceed five years or his length of service as of his last day on the active payroll, whichever is the lesser. In such cases, when length of service is re-established, the period of inactive status will be included in length of service.

A laid-off salaried employee who is placed on inactive status is paid monthly layoff payments as provided under the Separation Allowance Plan. The Plan is described starting on page 30 of this booklet.

Laid-off employees are considered available for re-employment not only with the unit where employed, but are also listed as available for employment with other GM units in the community and for employment with GM units in other communities. It is GM's policy that before hiring new employees, those

salaried employees who have been laid off are offered the opportunity to fill openings in the plant or office from which they were laid off or in other plants or offices in the community provided they are qualified to perform the work available.

Payment of Moving Expenses

When General Motors transfers a salaried employee to a new location requiring the moving of his permanent residence, GM provides for the payment of reasonable and necessary moving expenses.

Where the employee's transfer results from the transfer or discontinuance of a GM operation, General Motors also provides for the payment of reasonable and necessary moving expenses if the plant to which the employee is being transferred is at least 50 miles from the plant from which he is being transferred.

FOR YOUR INFORMATION

General Motors makes it possible for you to be well informed about what is going on in the organization as a whole and about developments that affect you and your job.

Much of this information comes to you through your supervisor. Additional informa-

tion is supplied to you in many forms—through Information Rack booklets, bulletin boards, folders and other publications.

Be sure to read the following booklets, available from your supervisor:

ABOUT	TITLE OF BOOKLET
Retirement Program	"Your GM Retirement Program"
Insurance	"The General Motors Insurance Program" "Your Comprehensive Medical Expense Insurance Program" "Personal Accident Insurance"
Savings—Stock Purchase Program	"Your GM Savings—Stock Purchase Program"
Suggestion Plan	"How to Use Your Idea Pay-off Machine"
Tuition Refund Plan	"Educational Assistance for GM Salaried Employees"
General Motors Institute	"This is GMI: An Appointment to Opportunity"
General Motors Yesterday	"Story of General Motors"
General Motors Today	"A Look at GM" "General Motors Annual Report"
Summary of Benefits	"Your GM Benefits"

YOUR PART

Along with the advantages and opportunities offered in General Motors go certain responsibilities—obligations that you will want to meet.

Your primary and most important responsibility, of course, is to do a good job on the work assigned to you by your supervisor. He is responsible for what you do, so it is a good idea to respect his experience, listen to his instructions carefully, and carry them out promptly and cheerfully. Completing each assignment to his satisfaction is the surest way to make progress.

You may find, occasionally, that it is not easy to satisfy your supervisor. This can work to your advantage, for the best supervisor is not content and will not let you be content with mediocrity. He is able to call forth your best efforts and show you that you can do

more and better work than you thought you could.

In addition to following instructions, doing a good job requires the employee to think for himself—to ask questions and make constructive suggestions. You will find that your supervisor is interested in your ideas and will appreciate your efforts to do an outstanding job.

Doing a good job also implies certain other obligations on your part, such as maintaining good health and mental alertness, using good judgment, being prompt and regular in attendance, cooperating with your fellow workers, and being loyal to GM—its people and its products. You will want to keep well informed on your company so that you will be able to talk intelligently about GM to your friends and neighbors. To them, you represent General Motors, and what you say can do much to shape their final opinion of GM. This can also help to shape your own future.

THE OPEN DOOR

For people to work together effectively, there must be a friendly, congenial atmosphere based on mutual trust and respect. Yet, in all human relationships there are bound to be occasional misunderstandings and disagreements. It is important that these be resolved without delay.

In most cases this is a simple matter, handled easily by the supervisor. But supervisors are only human. They cannot always be expected to provide answers satisfactory to all concerned. GM's policy

provides recourse to higher authority where that becomes necessary.

In general terms, the policy is simply an attitude of fair and friendly consideration for each individual's viewpoint. More specifically, it invites you to express yourself freely to your supervisor about your job or about General Motors policies. If you have a problem, a misunderstanding or a request, talk to your supervisor about it. If he is not able to give you a satisfactory answer, he will arrange for your problem to be taken to the proper authority—your general supervisor, the Personnel Department, your General Manager or his designated representative, or, in unusual cases, the General Motors Central Office in Detroit.



GENERAL MOTORS PRODUCTS

Your future with General Motors, and the future of every other GM employee, depends on the sale of General Motors products.

The more you know about these products, the more you use them, talk about them and persuade your friends to use them, the better your future will be. Following is a list of the principal things we make in GM in the United States.

AUTOMOTIVE

Passenger cars produced by Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac. Chevrolet trucks and GMC trucks and motor coaches. Parts, accessories and equipment for automobiles and trucks.

DIESEL

Electro-Motive Diesel locomotives for passenger, freight, switching, and industrial uses; Diesel engines for marine and industrial uses; stationary and mobile electric generating equipment.

HOUSEHOLD APPLIANCES, ETC.

Frigidaire refrigerators, ranges, food

freezers, dishwashers, room air conditioners, food waste disposers, dry cleaners, clothes washers and dryers; Delco electric motors.

EARTH-MOVING

Euclid heavy duty off-the-highway equipment for moving earth, rock, coal, ore; road building equipment.

DEFENSE AND SPACE

General Motors builds products that are important in national defense and space activities, including such items as electronic equipment for guided missiles and other uses, tracked military vehicles, rocket motor cases, Allison turbine engines and heavy-duty transmissions.

THE GENERAL MOTORS FAMILY

As a GM employee, you are part of a world-wide organization with headquarters in Detroit and New York City. Following is a list of General Motors divisions and subsidiaries here and abroad, with their principal locations:



GM DIVISIONS IN THE UNITED STATES

AC ELECTRONICS DIVISION

Milwaukee, Wisconsin

AC SPARK PLUG DIVISION

Flint, Michigan

ALLISON DIVISION

Indianapolis, Indiana; Cleveland, Ohio

BUICK MOTOR DIVISION

Flint, Michigan

CADILLAC MOTOR CAR DIVISION

Detroit, Michigan

CENTRAL FOUNDRY DIVISION

Saginaw, Michigan; Danville, Illinois; Defiance, Ohio; Bedford, Indiana

CHEVROLET MOTOR DIVISION

Detroit, Michigan; Atlanta, Georgia; Baltimore, Maryland; Bay City, Michigan; Bloomfield, New Jersey; Buffalo, New York; Cleveland, Ohio; Flint, Michigan; Framingham, Massachusetts; Indianapolis, Indiana; Janesville, Wisconsin; Kansas City, Missouri; Livonia, Michigan; Lordstown, Ohio; Los Angeles, California; Massena, New York; Muncie, Indiana; Norwood, Ohio; Saginaw, Michigan; St. Louis, Missouri; Tarrytown, New York; Toledo, Ohio; Tonawanda, New York; Warren, Michigan; Waukegan, Illinois; Ypsilanti, Michigan

DELCO MORaine DIVISION

Dayton, Ohio

DELCO PRODUCTS DIVISION

Dayton, Ohio; Rochester, New York

DELCO RADIO DIVISION

Kokomo, Indiana

DELCO-REMY DIVISION

Anderson, Indiana; Anaheim, California; Muncie, Indiana; New Brunswick, New Jersey; Olathe, Kansas

DETROIT DIESEL ENGINE DIVISION

Detroit, Michigan

DIESEL EQUIPMENT DIVISION

Grand Rapids, Michigan

ELECTRO-MOTIVE DIVISION

La Grange, Illinois; Chicago, Illinois

EUCLID DIVISION

Euclid, Ohio; Hudson, Ohio

FISHER BODY DIVISION

Warren, Michigan; Atlanta, Georgia; Baltimore, Maryland; Cleveland, Ohio; Detroit, Michigan; Euclid, Ohio; Flint, Michigan; Framingham, Massachusetts; Grand Blanc, Michigan; Grand Rapids, Michigan; Hamilton, Ohio; Janesville, Wisconsin; Kalamazoo, Michigan; Kansas City, Missouri; Lansing, Michigan; Livonia, Michigan; Lordstown, Ohio; Los Angeles, California; Mansfield, Ohio; Marion, Indiana; Norwood, Ohio; Pittsburgh, Pennsylvania; Pontiac, Michigan; St. Louis, Missouri; Tarrytown, New York; Tecumseh, Michigan; Willow Springs, Illinois; Ypsilanti, Michigan

FRIGIDAIRE DIVISION

Dayton, Ohio

GM ASSEMBLY DIVISION

Detroit, Michigan; Arlington, Texas; Atlanta, Georgia; Fremont, California; Kansas City, Kansas; Linden, New Jersey; South Gate, California; Wilmington, Delaware

GMC TRUCK & COACH DIVISION

Pontiac, Michigan

GUIDE LAMP DIVISION

Anderson, Indiana

HARRISON RADIATOR DIVISION

Lockport, New York; Buffalo, New York

HYDRA-MATIC DIVISION

Ypsilanti, Michigan

INLAND MANUFACTURING DIVISION

Dayton, Ohio

NEW DEPARTURE-HYATT BEARINGS DIVISION

Sandusky, Ohio; Bristol, Connecticut; Clark Township, New Jersey; Harrison, New Jersey; Meriden, Connecticut

OLDSMOBILE DIVISION

Lansing, Michigan

PACKARD ELECTRIC DIVISION
Warren, Ohio

PONTIAC MOTOR DIVISION
Pontiac, Michigan

ROCHESTER PRODUCTS DIVISION
Rochester, New York

SAGINAW STEERING GEAR DIVISION
Saginaw, Michigan

TERNSTEDT DIVISION
Warren, Michigan; Cleveland, Ohio; Columbus,
Ohio; Detroit, Michigan; Flint, Michigan; Trenton,
New Jersey; Elyria, Ohio; Syracuse, New York

UNITED MOTORS SERVICE DIVISION
Detroit, Michigan

FINANCE AND INSURANCE UNITS

**GENERAL MOTORS ACCEPTANCE
CORPORATION**
New York, New York

MOTORS HOLDING DIVISION
Detroit, Michigan

MOTORS INSURANCE CORPORATION
New York, New York

**YELLOW MOTORS CREDIT
CORPORATION**
Detroit, Michigan

CANADIAN UNITS

**FRIGIDAIRE PRODUCTS OF CANADA
LIMITED**
Scarborough, Ontario

**GENERAL MOTORS OF CANADA,
LIMITED**
Oshawa and Windsor, Ontario; Ste. Therese,
Quebec

GENERAL MOTORS DIESEL LIMITED
London, Ontario

McKINNON INDUSTRIES LIMITED
St. Catharines and Windsor, Ontario

OTHER UNITS

ARGONAUT REALTY DIVISION
Detroit, Michigan

GENERAL MOTORS INSTITUTE
Flint, Michigan

GENERAL MOTORS PROVING GROUNDS
Milford, Michigan

GENERAL MOTORS TECHNICAL CENTER
Warren, Michigan

OVERSEAS UNITS

**GENERAL MOTORS OVERSEAS
OPERATIONS DIVISION**
New York, New York

Individual Operations

ADAM OPEL A.G.
Russelsheim am Main, Bochum and Kaiserslautern,
West Germany

EUCLID (GREAT BRITAIN) LIMITED
Motherwell and Peterhead, Scotland

FOREIGN DISTRIBUTORS DIVISION
New York, New York

GENERAL MOTORS ARGENTINA S.A.
San Martin and Buenos Aires, Argentina

GENERAL MOTORS AUSTRIA GES.M.B.H.
Vienna, Austria

GENERAL MOTORS DO BRASIL S.A.
Sao Paulo and Sao Jose dos Campos, Brazil

GENERAL MOTORS CONTINENTAL
Antwerp, Belgium; Rotterdam, Netherlands

GENERAL MOTORS (FRANCE)
Gennevilliers (Seine), France

GENERAL MOTORS GMBH
West Berlin

**GENERAL MOTORS-HOLDEN'S PTY.
LIMITED**
Melbourne, Perth, Sydney, Brisbane, Woodville,
Elizabeth and Dandenong, Australia

GENERAL MOTORS INTERNATIONAL A/S
Copenhagen, Denmark

GENERAL MOTORS ITALIA S.P.A.
Milan, Italy

GENERAL MOTORS LIMITED
London, Dunstable, Hendon, Liverpool and South-
ampton, England

**GENERAL MOTORS DE MEXICO, S.A.
DE C.V.**
Mexico City and Toluca, Mexico

**GENERAL MOTORS NEW ZEALAND
LIMITED**
Wellington, New Zealand

GENERAL MOTORS NORDISKA A.B.
Stockholm, Sweden

GENERAL MOTORS (NORWAY) A/S
Oslo, Norway

GENERAL MOTORS DEL PERU S.A.
Lima, Peru

**GENERAL MOTORS DE PORTUGAL,
LIMITADA**
Lisbon and Azambuja, Portugal

**GENERAL MOTORS SOUTH AFRICAN
(PTY.) LIMITED**
Port Elizabeth, Republic of South Africa

GENERAL MOTORS SUISSE S.A.
Bienne, Switzerland

GENERAL MOTORS URUGUAYA S.A.
Montevideo, Uruguay

GENERAL MOTORS DE VENEZUELA, C.A.
Caracas, Venezuela

SUOMEN GENERAL MOTORS OY.
Helsinki, Finland

VAUXHALL MOTORS LIMITED
Luton, Dunstable and Ellesmere Port, England

The first part of this booklet outlined some of the opportunities you have as a salaried employe working with General Motors. It gave a general idea of the benefits you may receive under the various benefit plans.

In the second part, you will find more complete statements of the policies and procedures which govern relationships with salaried personnel.

You will find this booklet of increasing interest and importance to you as you continue to work with General Motors. If questions arise which are not answered in the booklet, ask your supervisor for further explanation.

DETAILS OF POLICY AND PROCEDURE

Classifications of Salaried Personnel

Probationary Employees: A salaried employee hired to fill a position or vacancy other than of a temporary nature shall be considered a probationary employee for the first six months of employment. Employment during the probationary period shall be on a day-to-day basis, even though salary may be expressed and computed on a calendar month rate.

Regular Employees: During any continuous 12-month period, upon the accumulation of six months of salaried employment, such an employee shall be considered thereupon as a regular employee and his employment will be on a month-to-month basis at a calendar month rate, whether he is paid monthly, semimonthly, or on some other basis of salary payments. An employee's length of service date shall be established as of six months prior to the date he becomes a regular employee.

Temporary Employees: A salaried employee hired for work of a purely temporary nature, such as a vacation substitute, one called in at irregular intervals, or hired for short-term emergency work, shall be employed on a day-to-day basis without respect to the method of payment used. Such an employee shall be paid only for those days or fractional days actually worked. He shall be entitled to overtime or premium

pay for excess hours worked, in accordance with established procedure and any applicable laws, regulations or orders.

"Exempt" or "Non-Exempt": Those salaried employees whose duties and responsibilities are of an executive, administrative, or professional character and who meet the requirements established for exemption under the provisions of the Fair Labor Standards Act, as amended, and the regulations issued in connection therewith, may be classified as "exempt" employees. All other employees are classified as "non-exempt."

Equal Employment Opportunity

Operating as it does on a nationwide basis, General Motors Corporation offers employment opportunities to many people in many different locations throughout the United States.

The policy of the Corporation is to extend these opportunities to qualified applicants and employees on a nondiscriminatory basis and without regard to an individual's age, race, color, sex, creed or national origin.

Hiring and employment practices and procedures implementing this policy are the responsibility of the individual Divisions and other employing Units of the Corporation. Likewise, the responsibility for decisions as to who is to be hired, or who is best qualified for particular employment, rests with the Divisions and other employing Units. However, these practices, procedures, and decisions are to be, at all times, in conformity with the Corporation policy of nondiscrimination.

Length of Service

Your Service Record: A complete record of your service with General Motors is kept by your Division or Unit. This Service Record contains basic information about your employment with General Motors, including the date you were originally employed, all changes in compensation, position, location, and leaves of absence granted.

"Length of Service" Important to You: Your length of service is important to you because it is a factor in determining the extent of your participation in the benefits which you may be eligible to receive as a General Motors salaried employee.

What Is Length of Service: The length of service for a salaried employee is that period of employment

with the Corporation or any of its wholly owned subsidiaries which is considered unbroken and is recognized in computing the amount and extent of participation in employee benefits, including vacations, separation allowances, leaves of absence, etc. Length of service is not recognized until the employee attains the status of a regular employee, at which time his length of service shall include the period of his probationary service. Service for purposes of General Motors benefit plans shall be determined in accordance with provisions of the specific plan.

What Is Included in Length of Service: The length of service of a salaried employee includes the following:

- All unbroken salaried service with General Motors or its wholly owned subsidiaries.
- The recognized hourly-rate service which the employee held in the Division where he became a salaried employee, except that such recognized hourly-rate service for this purpose shall be deemed to be broken by an hourly-rate "layoff" of over 12 months' duration if such layoff commenced prior to May, 1961, or by a layoff which exceeded five years or the period of hourly-rate service the employee had acquired at the time of layoff, whichever is the lesser, in the case of a layoff which commenced during or after May, 1961. If an hourly-rate layoff commencing in May, 1961 or later exceeded 12 months but part of the employee's hourly-rate service could be included in length of service in accordance with the foregoing provision, only 12 months of the time on such layoff shall be included in the employee's salaried length of service.
- All recognized hourly-rate service in those cases where the hourly-rate employee at the instigation of the Corporation is made available to another Unit of the Corporation with the specific approval of the heads of both Units, except that such recognized hourly-rate service for this purpose shall be deemed to be broken by a "layoff" of over 12 months' duration if such layoff commenced prior to May, 1961, or by a layoff which exceeded five years or the period of hourly-rate service the employee had acquired at the time of layoff, whichever is the lesser, in the case of a layoff which commenced during or after May, 1961. If a layoff commencing in May, 1961 or later exceeded 12 months but part of the employee's hourly-rate service could be included in length of service in accordance with the foregoing provision, only 12

months of the time on such layoff shall be included in the employee's salaried length of service.

- All continuous full-time and certain part-time temporary service which immediately precedes the transfer of such an employee to a permanent position.
- Unbroken service with operating companies (excluding commercial organizations) acquired by the Corporation or its wholly owned subsidiaries.
- Time spent by a regular student in General Motors Institute, or in any other accepted co-operative educational institution as an employee of the Corporation or its wholly owned subsidiaries.
- Time spent on approved leaves of absence as follows:

- (a) Noncompensable disability leave—first continuous 12 months of such leave. In the instance, however, of an employee who returns to work immediately following a disability leave and is again incapacitated by a recurrence of the same disability, his length of service upon again returning to work shall include all absent time due to the same disability up to but not exceeding 12 months.
- (b) Compensable disability leave—entire period of such leave.
- (c) Military leave—entire period of such leave.
- (d) War service leave—entire period of such leave.
- (e) Special leave (other than for educational purposes or for pregnancy)—only first continuous three months of such leave, unless approved by the proper Corporation Central Office Executive.

Special leave of absence for educational purposes—the first 12 months of such leave granted to a regular salaried employee. Time in excess of 12 months may also be included if approved by the General Manager of a Division or Central Office Staff Head.

Special leave of absence for pregnancy—on and after November 1, 1962, the period of time on such leave, up to a maximum of 12 months or a period equal to the employee's length of service at the time the leave becomes effective, whichever is less.

See section on Leaves of Absence beginning on opposite page.



- The period of time during which a regular employee, separated as a final release or mutually satisfactory release, is away from General Motors as well as length of service established prior to such separation, if the employee is re-employed in General Motors during the first 12 months following separation. This same provision applies to a regular employee who was separated as a layoff prior to May, 1961.

- The period of time, up to a maximum of 12 months for any one layoff, during which a regular employee is laid off, provided the employee's length of service prior to the layoff remains unbroken or is re-established.

What Breaks Length of Service: Length of service is broken by the following:

- A quit or a discharge.
- A layoff which commenced during or after May, 1961 which exceeds five years, or the length of service the employee had acquired at the time of layoff, whichever is the lesser.
- Any layoff which commenced prior to May, 1961 for a continuous period which exceeds 12 months.
- A mutually satisfactory release or final release, if the employee is not rehired within the succeeding 12 months.
- Under most circumstances a special separation may break an employee's length of service. However, if the employee is rehired within 12 months following the separation, his length of service will be determined by the conditions and circumstances of the individual case.

Review by General Motors Central Office: Any employee who questions his length of service record with General Motors, as established by the employing Unit, may appeal such determination through organization channels to the GM Vice President in Charge of the Personnel Staff for review of the facts and a final decision, provided he has first exhausted all steps for an adjustment within his employing Unit. Appeals should be submitted in writing.

Leaves of Absence

Any employee, other than one on a temporary basis, absent for more than seven consecutive calendar days, and not on vacation, shall either have his services terminated or be granted a leave of absence.

The employee should be advised fully as to the conditions of the leave of absence at the time it is granted.

Classifications of Leaves of Absence

Four types of leaves of absence may be granted:

Disability leave of absence, Military leave of absence, War service leave of absence and Special leave of absence.

The length of service of an employee is protected by an approved leave of absence, although time spent on leaves of absence may or may not be included in the length of service, depending upon the type of leave.

The granting of a leave of absence to an employee shall not be considered as a guarantee of re-employment following the leave of absence. Every effort should be made to reinstate an employee eligible for re-employment in his former position or one comparable to it, provided he is qualified to perform the duties of such position.

Disability Leave of Absence

The General Manager of a Division or Central Office Staff Head, or his designated representative, shall grant a disability leave of absence to any salaried employee not on a temporary basis, provided such employee furnishes proof satisfactory to Management that he is unable to discharge his normal responsibilities as a result of sickness or accident. Such a leave of absence may be extended upon submission of satisfactory proof of continued disability.

In the case of sickness or accident noncompensable under the Workmen's Compensation Law, the employee shall be granted a disability leave of absence after he has been absent in excess of seven consecutive calendar days, which leave shall be considered as being in effect from the first regularly scheduled day of work on which he was absent.

In the case of compensable occupational accident or compensable occupational disease, the employee shall be granted a disability leave of absence starting on the first regularly scheduled day of work on which he was absent.

In the usual case, payments to an employee in the salary group eligible for Sickness and Accident Insurance are made while the employee is on disability leave of absence for noncompensable sickness or accident in accordance with the following schedule:

**Types of Disability Payments
for Periods Shown Below**

LENGTH OF SERVICE	Full base salary	S. & A. Insurance and salary combined equal to full base salary	S. & A. Insurance benefits payable up to a maximum of
LESS THAN 1 YEAR	1st week	—	12 months*
1 YEAR TO 5 YEARS	1st week	next 7 weeks *	12 months*
5 OR MORE YEARS	1st week	next 12 weeks *	12 months*

*If Insurance is in effect on date disabled.

Salary payments during disability to employees in the salary group not eligible for Sickness and Accident Insurance are made on a basis consistent with the provisions for employees eligible for such insurance.

Insurance Protection for Employees on Disability Leave of Absence: For information relative to benefits payable or continuation of insurance during absence due to total disability, consult your supervisor or refer to the booklet "The General Motors Insurance Program."

Special Leaves of Absence

A special leave of absence may be granted for definite periods for reasons other than sickness, accident, vacation, or extended military service, when it is desirable from the employee's standpoint and desirable or acceptable from the standpoint of the Corporation for the employee to be absent from work for more than seven consecutive calendar days. A special leave of absence must be requested in advance by the employee and, if granted, will become effective on the first regularly scheduled day of work on which he is absent. The following paragraphs will deal with the various types of special leaves of absence, the authority for granting such and the extent to which salary payments, if any, shall be made.

Pregnancy: A special leave of absence without pay, for a period up to 12 months, shall be granted by a General Manager of a Division or Central Office Staff Head, or his designated representative, when requested by a regular salaried employee who submits satisfactory evidence of pregnancy.

A salaried employee who has been on a special leave of absence for pregnancy who applies for return to

work, and presents medical evidence satisfactory to Management that she is able to return shall be offered employment to fill any vacancy which exists in the plant or office which is the same as, or comparable to, the position she held at the time she was granted the special leave of absence provided she is qualified to perform the work available.

If no such vacancy exists, her special leave of absence shall be terminated and she shall be placed on layoff status and be eligible for recall preference. If the period during which she has been on a leave of absence is less than 12 months, she shall be placed on inactive status until the time on leave and on inactive status combined equals 12 months, at which point she shall be separated as a layoff. If the period during which she has been on a leave of absence equals or exceeds 12 months, she shall be separated as a layoff. Such an employee placed on inactive status or separated as a layoff shall not be eligible for layoff or separation allowance payments.

In the case of an employee placed on inactive status or separated from a special leave of absence for pregnancy, the maximum period of time on leave and while eligible for recall preference shall not exceed the lesser of five years, or the length of service she had acquired at the time she went on the leave of absence.

If medical evidence satisfactory to Management establishes that she is unable to return to work at the expiration of the leave, she shall be continued on a special leave of absence. However, the total length of time of the original leave of absence and extensions shall not exceed the greater of 12 months, or the length of service she had acquired at the time she went on a leave of absence, up to a maximum of five years. If the employee is not able to return to work at the end of the extended periods of leave, she shall be classified as a special separation and shall not be eligible for a separation allowance.

If the employee with unbroken length of service or eligible for re-establishment of length of service returns to the active roll within 12 months from the date she went on leave of absence, her length of service shall include the time on such leave and inactive status, but not to exceed her length of service at the time such leave became effective. If the employee returns to the active roll within a period subsequent to the date she went on leave of absence which exceeds 12 months but does not exceed the length of service she had acquired prior to such leave up to a maximum of five years, her previous length of service shall be re-established. If length of service is re-established in such a case, the time away,



but not to exceed 12 months, shall be included in her length of service.

If an employee does not make application to return to work by the expiration of the leave of absence or extensions, she shall be separated as a quit, and shall not be eligible for a separation allowance.

Such leave of absence for pregnancy shall be considered as the equivalent of a disability leave for insurance and for hospital and surgical-medical coverage purposes only.

Jury Duty: When an employee is called for jury duty, in most cases it does not necessitate his full-time absence from work. In such cases, unless the employee is required to be absent (full-time) in excess of seven consecutive calendar days, the absence will be treated as excused and the employee will be compensated in accordance with procedure.

A special leave of absence for jury duty will be granted by the General Manager of a Division, a Central Office Staff Head, or his designated representative, to an employee not on a temporary basis only when the employee is required to be absent full-time for periods in excess of seven consecutive calendar days, in which case the leave will be in effect from the first scheduled working day of such full-time absence. An employee granted a special leave of absence for jury duty, in accordance with the foregoing, will be paid base salary (plus cost-of-living allowance and night shift premium, if applicable) for the first seven consecutive calendar days of absence and base salary (plus cost-of-living allowance if applicable) thereafter. However, salary payments for such leave of absence of over one month's duration require special approval.

Fees received by the employee for jury duty will in no way affect his compensation from the Corporation.

Educational Purposes: A special leave of absence for educational purposes may be granted without pay for a period not to exceed 12 months by the General Manager of a Division or Central Office Staff Head to a salaried employee who has established length of service. Such leaves may be extended upon written request. The first 12 months of such leave of absence shall be included in computing the length of service of an employee who has returned to work following the completion of such a leave.

Personal Reasons: Other special leaves of absence for personal reasons may be granted by the General Manager of a Division or a Central Office Staff Head to other than temporary employees.

Such leaves may be granted with or without pay,

dependent upon the circumstances of the case. However, the following maximums shall apply in the usual case:

Length of Service	With Base Pay Plus	
	Cost-of-Living Allowance	Special Leave Without Pay
Less than one year	One week	Six months
One year or more	One month	Six months

Special leaves of absence for longer periods shall require special approval. The first continuous three months of such leave of absence shall be included in computing length of service.

Military Leave of Absence

General Motors policy provides for the granting of military leaves of absence to eligible employees. Information regarding eligibility for such leaves of absence may be obtained from your supervisor or the Personnel Department.

An approved military leave of absence shall not constitute a break in the employee's length of service. The entire period of a military leave of absence shall be included in computing the length of service of an employee who has returned to work following the completion of such a leave, provided the employee, following his release from the Armed Forces, makes application for re-employment within the period specified in the leave or within the period prescribed by any applicable laws or regulations governing the re-employment of veterans, whichever is greater.

Reserve Training: General Motors cooperates with the armed services by granting leaves of absence to employees taking part in annual training or cruises or special active duty.

An employee who is called for service with the Reserve Forces should consult his supervisor, in order that a leave of absence may be arranged, if necessary. At that time, the employee will be advised of the rights and benefits which apply to him under General Motors policy.

Payment of Moving Expenses

When, as a result of the discontinuance or transfer of operations, a non-exempt salaried employee is transferred to a new location, he shall be reimbursed for reasonable and necessary moving expenses incurred in moving his permanent residence, if the plant to which the employee is being transferred is at least 50 miles from the plant from which he is being transferred. In every such case, Management shall de-

termine what expenses are considered reasonable and necessary.

Transfers of this type affecting exempt employees may be handled in accordance with the past practice of providing for the payment of reasonable and necessary moving expenses for salaried employees transferred for the convenience of the Corporation.

Your Vacation

It is the Corporation's policy to insist that each salaried employee take the full amount of vacation to which he is entitled each year. This is considered essential not only in the interest of fair and equitable treatment for an individual employee but also for the efficiency of the Corporation in enabling an employee through the benefits of such a vacation to contribute more effective effort. In order to insure that an employee takes the vacation to which he is entitled, no salary payment shall be made in lieu of vacation. Vacations not taken during the current calendar year may not be carried over to the following year.

Length of Your Vacation

Employees Whose Length of Service is Less Than One Year: Vacations during the current year for regular salaried employees hired during that year or in the previous year after October 1 are determined as follows:

EMPLOYMENT DATE	VACATION WITH PAY
Oct. 2 to Dec. 31 (previous year)	1½ weeks
Jan. 1 to March 31 (current year)	1 week
After March 31 (current year)	None until following year

Employees Whose Length of Service is One Year or More: Regular salaried employees whose length of service is one year or more by October 1 of the current calendar year shall take vacation during the current calendar year as follows:

LENGTH OF SERVICE	VACATION WITH PAY
1 year but less than 3	2 weeks
3 years but less than 5	2½ weeks
5 years but less than 10	3 weeks
10 years but less than 15	3½ weeks
15 years or more	4 weeks

Transfers from Hourly Roll: A salaried employee who has been transferred from the hourly roll before July 1 of the current year shall be granted and shall take, during the current calendar year, the vacation to which he is entitled by his total length of service

less any time off already taken under the paid absence allowance provisions during the current calendar year while on the hourly roll.

A salaried employee who has been transferred from the hourly roll on or after July 1 of the current year, and who had a vacation pay and paid absence allowance eligibility date of June 30 while on the hourly roll, shall receive no further vacation consideration for the current calendar year.

Such an employee who had a vacation pay and paid absence allowance eligibility date of December 31 shall be granted the vacation time off to which he is entitled as a salaried employee less any time off already taken under the paid absence allowance provisions during the current calendar year while on the hourly roll, or, if it is impractical to grant him the vacation time, shall receive pay in lieu of vacation for the current calendar year and an amount equivalent to the unused portion, if any, of the paid absence allowance credited to him on his last eligibility date based upon the number of hours pay he would have received and at the hourly rate of pay which would have been in effect had he remained on the hourly roll until December 31. Such allowance shall be paid on or after December 31.

Prior to Retirement: An employee who is being separated under any of the retirement classifications shall be granted the vacation time off to which he is entitled before his separation becomes effective.

Holidays

Holidays recognized within General Motors are Good Friday, Fourth of July, Labor Day, Thanksgiving, December 24, Christmas, December 31, New Year's Day and either Memorial Day or one other such holiday of greater local importance which may be designated by Management.

Saturday and Sunday Holidays: When any of the recognized holidays occur on Saturday, a salaried employee whose normal base workweek is Monday through Friday shall be granted a day off during his normal workweek for each such Saturday holiday, except that an employee who is required to work on such holiday, and receives premium pay for doing so, shall not be granted time off equivalent to that for which premium pay was paid.

When the two holidays, December 24 and December 31, occur on Sunday, a salaried employee whose normal base workweek is Monday through Friday shall be granted a day off during his normal workweek for each such Sunday holiday, provided that an employee who is required to work on either or both



of these two holidays and receives premium pay for doing so, shall not be granted time off equivalent to that for which premium pay was paid.

If any of the recognized holidays occur on a scheduled day off of an employee who is employed in a necessary continuous seven-day operation, the employee shall be granted time off during his normal workweek equivalent to such holiday, except that an employee who is required to work on such holiday, and receives premium pay for doing so, shall not be granted time off equivalent to that for which premium pay was paid.

In making this policy effective, the employee's employing Unit will determine whether the time off is to be scheduled: on a group basis, e.g., observed on the previous Friday; or on an individual basis in the form of an extra day of vacation; or on an individual basis at a time mutually satisfactory to Management and the employee.

Holidays during Vacation: When any of the recognized holidays occur during an employee's vacation period, the employee shall be granted an additional day of vacation.

No additional vacation time shall be granted to an employee by reason of the suspension of operations on any day or days other than the recognized holidays falling within an employee's vacation period.

Separations and Layoffs

Normally both the individual and General Motors have much to gain from long continued association. In certain cases, however, as circumstances change, it may become necessary to terminate the services of an employee. To insure fair handling of all cases involving separation or layoff from the payroll, General Motors has adopted the policies outlined in the following paragraphs.

Separation Classifications

Each salaried employee who is separated from the payroll shall be classified at the time of separation under one of the classifications outlined below. Complete details of the reasons for separation, together with the separation classification, shall appear on the employee's record. In determining the separation classification, Management shall be the sole judge.

Quit: Resignation of an employee from the Corporation prior to age 60. However, an employee who is separated prior to age 60 for the purpose of becoming a General Motors distributor or dealer, or an

employee thereof, shall be considered a special separation.

Failure to report to work at the expiration of an approved leave of absence and in accordance with the terms of such leave.

Failure by a laid-off employee on inactive status to accept an offer of re-employment in employee's previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff, in the plant or office from which laid off.

Discharge: Separation of an employee prior to age 60 for personal conduct in the course of his duties of such a character that the employee's continued employment would be contrary to the best interests of the Corporation.

Illustrative but not exclusive reasons for separation under this classification are dishonesty, willful violation of instructions, insubordination, drunkenness on the job, and refusal to comply with Governmental requirements related to his employment.

In addition, conduct reflecting adversely on the Corporation, even if it occurs apart from the course of duty, may in some cases be deemed by Management as sufficient grounds for discharge.

Final Release: Separation of an employee prior to age 55, or at or after age 55 but prior to age 60 if the employee has less than 10 years of credited service under the provisions of the Retirement Program for Salaried Employees at the time of separation, because of unsatisfactory performance of assigned duties or physical or mental incapacity to perform assigned duties.

Mutually Satisfactory Release: Separation of an employee prior to age 60 which cannot be properly classified as a final release or layoff but which is mutually satisfactory to General Motors and the employee.

Special Separation: Separation of an employee prior to age 60 which cannot be properly classified under any of the foregoing classifications because of some peculiar or special circumstances in the case.

Inability to Provide Satisfactory Bond: An employee who is separated at any time because of inability to provide satisfactory bond to the Corporation shall be classified as a special separation.

Sale or Transfer of an Activity: In the event that the Corporation sells or transfers an activity or a portion of its business to an employer other than a subsidiary of General Motors Corporation, and as an incident thereto, a salaried employee who was engaged in the activity or portion of the business sold or transferred, continues as an employee of the

new employer, the payment of separation allowance will depend upon any agreement worked out at the time of the sale or transfer.

If, in the opinion of the Corporation there appears to be a sound basis, and if the employee feels that it would be to his disadvantage to accept a position offered with the new employer, he may be separated as a mutually satisfactory release, and paid a separation allowance if otherwise eligible.

Special Divisional Practices: An employee separated in accordance with an established policy of the Division or Corporation, and under conditions where the employee's business conduct is not a factor, shall be classified as a special separation and paid a separation allowance if otherwise eligible.

Separations Due to Pregnancy: An employee separated as the result of pregnancy, or an employee who is not re-employed by the expiration of her special leave of absence for pregnancy, and whose length of service is no longer protected shall be considered a special separation, and shall not be eligible for a separation allowance.

Refusal to Accept Salaried Position Paying Less Than 80% of Current Base Salary Rate: A salaried employee who is offered another salaried position paying less than 80% of the employee's current base rate, and refuses to accept such position—or accepts and is separated within the succeeding six months for any reason other than death or layoff—shall be classified as a special separation and shall be paid a separation allowance if otherwise eligible.

An employee separated under such conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

Refusal to Accept an Hourly-Rate Job:

A. Employees with previous hourly service

1. A salaried employee, eligible for an hourly-rate job by virtue of previous hourly service, who is offered a suitable hourly-rate job and refuses to accept such a job shall: (1) be separated from the salaried payroll and classified as a special separation, (2) be paid a separation allowance if otherwise eligible, and (3) be recorded as a quit on the hourly employment records.

Such an employee who accepts a suitable hourly-rate job and is separated within six months from the date of acceptance of such hourly job for any reason other than death

or layoff shall: (1) be classified as a special separation, and (2) be paid a separation allowance if otherwise eligible.

An employee separated under the above conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

2. A salaried employee with previous hourly service who accepts a suitable hourly-rate job and is laid off from the hourly roll within six months from the date of acceptance of such hourly job shall: (1) be classified as a layoff from the salaried roll, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.
3. A salaried employee with previous hourly service who is offered an unsuitable hourly-rate job and refuses to accept such job, or accepts and is separated within six months from the date of acceptance for any reason other than death shall: (1) be classified as a layoff from the salaried roll, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.

B. Employees with no previous hourly service

A salaried employee with no previous hourly service who is offered an hourly-rate job and refuses to accept such job, or accepts and is separated within six months from the date of acceptance for any reason other than death shall, in the absence of any unusual circumstances: (1) be classified as a layoff, and (2) be paid layoff payments under the Separation Allowance Plan if otherwise eligible.

Separations to Become Distributors or Dealers or Employees Thereof: An employee who is separated prior to age 60 (whether by resignation or under mutually satisfactory conditions) for the purpose of becoming a distributor of, or a dealer in, some General Motors product, or of entering the employment of such a distributor or dealer, shall be classified as a special separation and shall not be eligible for a separation allowance.

Separations for Educational Purposes: An employee who has been employed as a college student in a summer training program, and returns to college to continue his education, shall be classified as a special separation.

Refusal to Accept Employment on a Commission Basis: A salaried employee who is offered employment

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on a commission basis, and refuses to accept such employment—or accepts and is separated within the succeeding six months for any reason other than death—shall be classified as a special separation and shall be paid a separation allowance if otherwise eligible.

An employee separated under such conditions, who is employed within the Corporation at a subsequent date, shall then be treated as a new employee and his length of service shall date from the beginning of his new employment.

Termination of Agreed Period of Employment: A temporary employee who is separated at the end of an agreed period of employment shall be classified as a special separation.

Retirement: Any separation at or after age 60 except a separation on account of death, and any total and permanent disability retirement. A separation under this classification shall be identified as to type of Retirement as follows: Retirement at automatic retirement date; Retirement subsequent to automatic retirement date; Early retirement—total and permanent disability; Early retirement—at employee's option (equivalent to quit); Early retirement—discharge; Early retirement—at Corporation option—on account of health or performance (equivalent to final release); Early retirement—under mutually satisfactory conditions; Early retirement—(equivalent to special separation)—reasons to be itemized.

Retirement at Corporation Option—at or after Age 55 but prior to Age 60: The separation of an employee at or after age 55 but prior to age 60 who has 10 or more years of credited service under the provisions applicable to Part 1 of the Retirement Program for Salaried Employees as an early retirement at Corporation option with the prior approval of the governing committee of the Corporation having jurisdiction shall be identified as an early retirement—age 55 but prior to age 60—at Corporation option.

When Releases Are Made

A final release should be effected promptly when it is determined that an employee's services are unsatisfactory. Except in those cases where it is necessary to discharge an employee for cause, it is preferable that the release be made during periods of active business, rather than in periods of declining business, in order that the employee concerned may have a relatively better opportunity to secure other employment. Such action should not be deferred pend-

ing any probable staff reduction due to declining business.

Layoff and Recall

Basis for Selection of Employees to Be Laid Off:

If it becomes necessary to reduce the number of employees in any classification of work within a department, where ability, merit, and capacity are equal, the employee with the least service working in such classification in that department shall be laid off.

Before an employee is laid off, he should be considered for placement on a job he can capably perform in the same or another department in the same salary level, or lower if necessary, displacing another employee with less service, providing merit, ability, and capacity are equal.

In connection with reduction of force, it is recognized that in many instances employees in the same classification of work are not interchangeable with respect to their knowledge and experience and their ability to perform all of the duties assigned to such classification. Therefore, no employee shall be retained at work on the basis of length of service who is not capable of performing an available job in a competent and satisfactory manner without additional training.

A laid-off salaried employee, in addition to being listed as available for re-employment with the employing Unit he is leaving, will also be listed with the Central Office Salaried Personnel Placement Activity as available for re-employment with other appropriate General Motors operations. This Activity will provide lists of laid-off salaried employees to all General Motors operations in the community and, where warranted, to operations in other communities.

Status of Laid-Off Employees: A regular salaried employee whose performance is satisfactory and who is being removed from the active roll only because of the need for a reduction in force shall be classified as a laid-off employee on inactive status. An employee shall not be classified as a layoff unless the Unit laying him off considers him qualified for re-employment in the position which he last held or a better one. An employee with less than six months of service who is not eligible at the time of layoff to be placed on inactive status will be separated as a layoff.

The length of service of a regular salaried employee who has been laid off and placed on inactive status will not be broken, but will be retained if he is re-

turned to the active roll from inactive status within one year following layoff, or within a period equal to the length of service he had acquired at the time of transfer to inactive status, if such length of service is less than one year. The period of time on such inactive status will be included in the employee's length of service upon his return to the active roll.

A regular salaried employee who has been laid off and placed on inactive status and is not returned to the active payroll within 12 months from his last day on the active payroll or within a period equal to the length of service he had acquired at the time of transfer to inactive status, if such length of service is less than one year, shall be separated as a layoff at the end of such period.

The length of service of a regular salaried employee with more than one year's length of service who has been separated as a layoff will be re-established if he is returned to the active roll within a period following his last day on the active payroll which does not exceed five years or his length of service at the time of being placed on inactive status, whichever is the lesser. The period of time on inactive status, up to the first 12 months of any one layoff, will be included in the employee's length of service upon his return to the active roll.

The employee with one year's length of service or more who is laid off and placed on inactive status will be eligible for layoff payments under the provisions of the Separation Allowance Plan, to the extent that he qualifies under that Plan.

Recall of Laid-Off Employees: It is the laid-off employee's responsibility to keep Management informed of the address to which any communications are to be directed. The method of notification of change of address is to be established by each employing Unit.

Laid-off salaried employees whose periods of recall preference have not expired shall be given the opportunity to fill openings in the plant or office from which they were laid off, provided they are qualified to perform the work available. Consideration shall be given to merit, ability, capacity, and length of service.

Laid-off salaried employees from other plants or offices in the community, whose periods of recall preference have not expired and who are qualified to perform the work available, shall be offered the opportunity to fill such positions after the qualified laid-off salaried employees of the plant or office doing the hiring have been recalled. Consideration shall

be given to merit, ability, capacity, and length of service. Any such employee who is employed at a plant or office other than the one from which he was laid off may be given an opportunity to be transferred back to the plant or office from which he was laid off if such transfer is mutually agreeable to both Units involved.

New salaried employees shall not be hired until consideration has been given to laid-off General Motors salaried employees available either from the plant or office doing the hiring or from other General Motors plants or offices in the community, if their periods of recall preference have not expired.

Refusal of Employment: A laid-off salaried employee who is offered re-employment in his previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff in the plant or office from which he was laid off and who does not accept such offer within a reasonable period, shall: (1) if on inactive status, be separated as a quit and his layoff payments under the Separation Allowance Plan, if any, shall be discontinued as of the date of such separation; (2) if separated as a layoff, be considered a quit for recall preference purposes and lose eligibility for re-establishment of length of service if later re-employed. Such determination shall be made by the Personnel Director or his designated representative. An appropriate notation to this effect shall be placed in the employee's service record.

A laid-off salaried employee who is to be offered employment in the plant or office from which he was laid off in accordance with the foregoing paragraph, but cannot be so advised orally, shall be sent a registered letter, return receipt requested, advising him of the offer of re-employment. If no response is made to the offer of re-employment within seven calendar days he shall: (1) if on inactive status, be separated as a quit and his layoff payments under the Separation Allowance Plan, if any, shall be discontinued as of the date of such separation; (2) if separated as a layoff, be treated in the manner outlined in the preceding paragraph.

A laid-off salaried employee who refuses offered employment in a position paying a salary not less than the employee's salary at the time of layoff, in the same community but in a plant or office other than the one from which he was laid off, shall have his layoff payments under the Separation Allowance Plan discontinued, but shall not be separated or considered as a quit. If a laid-off salaried employee of another plant or office who is to be offered employ-



ment cannot be so advised orally, he shall be sent a registered letter, return receipt requested, advising him of the offer of employment. If no response is made to the offer of employment within seven calendar days, action shall be taken to discontinue his layoff payments under the Separation Allowance Plan, if any.

Approvals Necessary

The Personnel Director or his designated representative shall review and the General Manager (or Plant Manager) or Central Office Staff Head or his designated representative shall approve all separations and all proposed layoffs prior to the notification of the person involved. The specific approval of the General Manager of a Division or Central Office Staff Head is required for the involuntary separation or the layoff of an employee with 10 or more years' length of service.

An immediate supervisor may suspend a salaried employee at any time with or without pay for a period not exceeding one week pending review and final decision of the case. The case shall then be reviewed by the Personnel Director or his designated representative and a report made to the General Manager (or Plant Manager) or Central Office Staff Head who will promptly determine the final action to be taken in the case.

Notifying the Employee

Separations: Each salaried employee separated from the payroll shall be informed verbally by his immediate supervisor at the time of separation as to the reasons for such separation and his resulting status. The employee's personnel record should contain the same information. It is important that the affected employee be fully and promptly advised by the proper member of Management, in accordance with local practice, of any action affecting his status.

Layoffs: An employee who is to be laid off should be given advance notice of his layoff. At the time of layoff he should be told why the reduction is necessary and the basis for his selection. He should be advised of his status while laid off, that he will be recalled when conditions warrant, and that he will be considered for employment by other General Motors operations in the area.

Opportunities for Review

Any laid-off or separated employee having a complaint regarding his separation may appeal his case to the GM Vice President in Charge of the Personnel Staff, provided the employee has first exhausted all steps for adjusting the complaint within the Division

or Central Office Staff from which he was separated. Such appeals must be submitted in detail in writing, with a full statement of the steps taken to secure adjustments within the employing Unit. An investigation will be made to determine whether the employee has been properly treated in relation to established policy and if it is determined that established policy has not been followed, appropriate action will be taken. In any case, the laid-off or separated employee will be so advised.

Insurance, Savings—Stock Purchase and Retirement Programs

A laid-off or separated salaried employee will be eligible for participation in the following benefit programs to the extent outlined for laid-off or separated salaried employees under the specific provisions of each program: Insurance Program, which includes Life, Extra Accident, Sickness and Accident and Survivor Income Benefit Insurance, Basic Hospital, Surgical and Medical Expense benefits and Comprehensive Medical Expense Insurance, and the Savings—Stock Purchase and Retirement Programs. For specific information applicable to individual cases, contact your supervisor. He will either provide you with the information or direct you to the activity in your operation assigned to administer the programs.

Payment for Period of Employment

Unless an employee quits or is discharged for cause or is separated because of death, he shall be entitled to receive as a salary payment the unearned base salary plus cost-of-living allowance for the remainder of the contractual period of employment (calendar day or month as the case may be) in which he was separated.

Payment in Event of Death

A voluntary payment, in addition to any salary which is due a deceased employee through the date of death, should be made in accordance with the following requirements and limitations:

Temporary and probationary employees—

If the deceased employee was on a temporary or probationary basis when death occurred, no payment shall be made beyond the date of death.

Employees not on a temporary or probationary basis—

If the deceased employee was receiving full base salary when death occurred, there should be paid an additional amount equal to one month's full base salary.

If the deceased employee was receiving less than

full base salary when death occurred, there should be paid an additional amount equal to one month's salary at his reduced salary rate.

If the deceased employee was not receiving salary when death occurred, no additional payment shall be made.

No cost-of-living allowance, extended workweek premium, night shift premium, or similar payment in excess of base salary shall be made beyond the date of death.

Note: If employee is on leave of absence at the time death occurs, he should be paid on the same salary basis (excluding cost-of-living allowance) as provided for in his leave of absence; if his leave of absence is without pay, no salary payment shall be made. In those instances where death occurs while an employee is on disability leave of absence and receiving the equivalent of full base salary consisting of partial base salary plus Sickness and Accident Benefits and/or Workmen's Compensation, the payment beyond the date of death should be equal to one month's full base salary.

Separation Allowance

A Separation Allowance Plan has been established for the benefit of salaried employees laid off or separated from the payroll under certain circumstances. The primary purpose of this Plan is to provide a source of income to eligible employees beyond the date of their layoff or separation. The inclusion of a schedule of separation allowances in this booklet, together with the conditions governing their payment, however, is not intended nor is it to be interpreted to establish a contractual relationship with the employee. Where payments are made to a laid-off employee under this Plan, the term "Separation Allowance" will include layoff payments under the Separation Allowance Plan.

Corporation policy provides that where conditions permit, the employee should be given advance notice of layoff or separation. Such advance notice should not affect the amount of separation allowance if the employee is otherwise eligible.

WHO IS ELIGIBLE

A salaried employee separated from the payroll will be eligible for a separation allowance provided the employee has a length of service of at least 12 months

and is separated under the classifications of Final Release or Mutually Satisfactory Release. In addition, an employee separated as a Special Separation may be eligible and certain employees separated under the classification of Retirement may be eligible.

Payments under the provisions of the Separation Allowance Plan made to employees laid off on inactive status shall be considered as layoff payments.

A salaried employee who has been promoted or transferred from an hourly-rate job or from a position for which compensation is paid solely on a commission basis to a salaried position and who is subsequently laid off, separated, or demoted under circumstances permitting payment of a separation allowance, will be eligible for a separation allowance only if the employee's length of service in a salaried position subsequent to such promotion or transfer is at least 12 months, regardless of the length of previous service on hourly-rate or on a commission basis. However, after the completion of 12 months' service in a salaried position, such laid-off or separated employee will receive credit for total length of service in computing the separation allowance.

When an employee dies while in active service, no separation allowance payments shall be made to his estate. If, however, the employee had left the Corporation's active service and dies while receiving separation allowance in monthly payments and before final payment is made, the unpaid balance of the separation allowance shall be paid to the estate in one payment.

Employees at or after age 55 but prior to age 60 who upon separation are eligible for supplemental allowance under the Retirement Program for Salaried Employees are not eligible for a separation allowance.

SPECIAL CASES

Employees Offered Lower Paid Salaried or Hourly-Rate Jobs

An employee whose services are satisfactory, but who cannot be continued in his present position because of a declining volume of business or other general causes not the fault of the employee, should be given, if possible, other employment opportunities either on a salaried or an hourly-rate basis. In such a case, the employee who is offered a salaried position paying less than 80% of his current base salary rate, or is offered an hourly-rate job, and



refuses to accept such employment, or does accept and during the succeeding six months quits or is separated for any reason other than death, shall be paid the separation allowance to which he was entitled at the time of his transfer to the new position.

Employees Not Re-employed After Completing Leave of Absence

Disability Leave of Absence: If at the time of completion of an approved disability leave of absence it is impossible to reinstate an employee who, in the opinion of Management, is qualified for re-employment in his former position or a position paying a base salary 80% or more of his last base salary rate, he will be paid, if otherwise eligible, a separation allowance based upon his length of service which shall not extend beyond the date upon which such leave of absence became effective.

Special Leave of Absence: Payment of separation allowance to an employee not rehired following an approved special leave of absence will depend upon

the circumstances under which the leave was granted.

In any case where separation allowance is to be paid, it shall be based upon length of service which shall not extend beyond the date upon which such leave of absence became effective.

Military Leave of Absence: If it is impossible to reinstate an employee eligible for re-employment after completion of an approved military leave of absence, the employee will be paid a separation allowance based on his length of service which shall not extend beyond the date on which he was released from the Armed Forces.

BASIS FOR COMPUTING SEPARATION ALLOWANCE

The separation allowance shall be based upon length of service and the employee's average monthly base salary rate, as shown in the following table.

SEPARATION ALLOWANCE AS % OF AVERAGE MONTHLY BASE SALARY

Length of Service			Length of Service		
1 year up to 3 years	30%	1	16 years up to 17 years	650%	11
2 years up to 3 years	35	1	17 years up to 18 years	660	12
3 years up to 4 years	40	2	18 years up to 19 years	670	13
4 years up to 5 years	45	3	19 years up to 20 years	680	14
5 years up to 6 years	50	4	20 years up to 21 years	690	15
6 years up to 7 years	55	5	21 years up to 22 years	700	16
7 years up to 8 years	60	6	22 years up to 23 years	710	17
8 years up to 9 years	65	7	23 years up to 24 years	720	18
9 years up to 10 years	70	8	24 years up to 25 years	730	19
10 years up to 11 years	75	9	25 years up to 26 years	740	20
11 years up to 12 years	80	10	26 years up to 27 years	750	21
12 years up to 13 years	85	11	27 years up to 28 years	760	22
13 years up to 14 years	90	12	28 years up to 29 years	770	23
14 years up to 15 years	95	13	29 years and over	780	24

Computation of Average Monthly Base Salary

Average monthly base salary rate for the purpose of computing separation allowance is the average base salary during the last 12 or the last 36 months of recognized service prior to the last day actually worked and during which the employee was paid full base pay, whichever period would result in the higher average monthly base salary rate. In those instances in which certain of the calendar months immediately preceding the last day actually worked are excluded for the purpose of determining the average monthly base salary rate because the employee was not paid full base salary, an additional number of months shall be added so that the average base salary rate is computed on a period during which full base salary was paid. If the employee's length of service is less than 36 months, the average monthly base salary rate should be computed on the number of months prior to the last day actually worked, or the last 12 months, during which the employee received full base pay, whichever period would result in the higher average monthly base salary rate.

In those cases, where an employee, who had previously been separated and upon rehire had re-established his service, is again separated, and is eligible for a separation allowance, his average monthly base salary rate will be computed based on the last 12 or the last 36 months of recognized service as described above, reflecting months of service after re-employment and, to the extent required, months of service prior to the previous separation.

Employee on Salary-Plus-Commission

The separation allowance of an employee on a salary-plus-commission basis shall be based on the employee's base salary, not including any commission or supplemental compensation determined by sales or earnings.

PAYMENT OF SEPARATION ALLOWANCE

Separation allowance payments shall be made in accordance with the following:

Full Separation Allowance Shall Be Paid in One Payment at the Time of Separation to: Any employee separated as a final release, in those cases in which the employee's physical or mental condition is such that it can definitely be determined that he will not be re-employed.

Any employee separated as a special separation, when such an individual elects to take separation allowance rather than accept a salaried position paying less than 80% of the base salary rate of his current position, a suitable hourly-rate job, or employment on a commission basis.

Payment of separation allowance to employees separated for the reasons indicated in the foregoing paragraphs may be made in monthly instalments when requested by the employee and approved by the General Manager of a Division or Central Office Staff Head.

Separation Allowance Shall Be Paid in Monthly Instalments to: An employee separated as a final release other than an employee separated under this classification for the reason indicated above.

An employee separated as a mutually satisfactory release.

An employee classified as a layoff on inactive status and such separation allowance payments shall be considered as layoff payments under the Separation Allowance Plan.

An employee separated as a layoff at the end of the authorized period on inactive status, if his layoff payments under the provisions of the Separation Allowance Plan have not been completely paid out at the time of such separation. In such case, the unpaid balance shall be considered as a separation allowance.

An employee separated as a special separation other than an employee separated under this classification for the reason indicated above.

The amount of separation allowance paid monthly shall be equal to the employee's last base monthly salary. The first payment shall be made in the month following that in which the employee was separated. At the discretion of the Division, separation allowance payments may be made at the end of the month or on the same salary payment schedule which would have been followed had the employee remained on the payroll.

Employees eligible for separation allowance payments who are rehired on other than the first scheduled working day of a month will receive separation allowance for fractional month periods.

Except in the case of an employee classified as a layoff on inactive status, a single payment of the



total separation allowance may be made to employees in any of the above groups when approved by the General Manager of a Division or Central Office Staff Head.

Refusal of Employment: A laid-off salaried employee on inactive status who is offered re-employment in his previous position or one paying a salary not less than 80% of the employee's salary at the time of layoff, in the plant or office from which he was laid off, and who does not accept such offer within a reasonable period shall be separated as a quit. Layoff payments, if any, to the employee shall be discontinued as of the date of such separation.

A laid-off salaried employee who is to be offered re-employment in accordance with the foregoing paragraph but cannot be so advised orally shall be sent a registered letter, return receipt requested, advising him of the offer of re-employment. If no response is made to the offer of re-employment within seven calendar days, the employee shall be separated as a quit and his layoff payments, if any, shall be discontinued as of the date of such separation.

A laid-off salaried employee who is offered employment, in a position paying a salary not less than the employee's salary at the time of layoff, in the same community but in a plant or office other than the one from which he was laid off, and refuses it, shall have layoff payments discontinued, but shall not be separated or considered as a quit. A laid-off salaried employee of another plant or office who is to be offered employment but cannot be so advised orally, shall be sent a registered letter, return receipt requested, advising him of the offer of employment. If no response is made to the offer of employment within seven calendar days, action shall be taken to discontinue the layoff payments, if any, being made to the employee.

A laid-off salaried employee on inactive status who indicates in writing that he wishes to be separated shall: (1) if his decision is for the purpose of qualifying for retirement benefits, be separated as a quit or as a mutually satisfactory release, depending upon the circumstances of the individual case; (2) if his decision is for any other reason, be separated as a quit. If the employee is separated as a quit, his layoff payments, if any, shall be discontinued as of the date of such separation; if the employee is separated as a mutually satisfactory release, his layoff payments shall be considered as separation allowance payments and shall continue to be paid, if any amount is still due.

EMPLOYEES REHIRED AND LATER LAID OFF OR SEPARATED

A salaried employee previously paid a separation allowance who on rehire re-establishes the length of service on which such separation allowance was computed and who is again laid off or separated under circumstances entitling him to a separation allowance shall receive as a separation allowance an amount based on the following:

Where Average Monthly Base Salary Rate Is the Same or Higher than Salary on Which Previous Separation Allowance Was Based:

If, since re-employment, the employee's average monthly base salary rate is the same or higher than the average monthly base salary rate on which his previous separation allowance was based, he shall then receive as a separation allowance the difference between the amount applicable to his total length of service (with a maximum of 29 years) and the amount of the separation allowance previously paid him, and in addition any amount of previous separation allowance that may have been repaid.

Where Average Monthly Base Salary Rate Is Less than Salary Rate on Which Previous Separation Allowance Was Based:

If, since re-employment, the employee's average monthly base salary rate is less than the average monthly base salary rate on which his previous separation allowance was based, he will receive a separation allowance based on the formula outlined above, but in no case less than the amount that would be applicable solely to that portion of his new period of salaried employment which when added to his previous service would not exceed the maximum of 29 years, and in addition any amount of previous separation allowance that may have been repaid.

Payment of Separation Allowance to Employees Not Re-establishing Length of Service Upon Rehire Who Were Previously Paid a Separation Allowance and Who Are Again Laid Off or Separated: A salaried employee previously paid a separation allowance whose length of service is not re-established upon rehire shall have the status of a new employee upon rehire and if again laid off or separated under circumstances entitling him to a separation allowance, shall receive as a separation allowance an amount based on length of service applicable to his new period of employment, except that this length of service when added to the length of service on which his previous separation allowance was based shall not exceed a maximum of 29 years of service.

Change of Status— Approvals Required

The Personnel Director, or another designated member of Management, shall review and the Gen-

eral Manager (or Plant Manager) or Central Office Staff Head or his designated representative, shall approve all promotions, demotions, layoffs and separations prior to the notification of the person involved. This procedure is designed to give employees every consideration and make personnel changes that are fair and equitable for all concerned.

IN CONCLUSION

Although we have described the principal benefits for which salaried men and women of General Motors may be eligible, it is impossible in any booklet to cover every situation that may arise. If you need further information or are in doubt as to how any of these policies and procedures apply to you, ask your supervisor. He will answer your question or get the answer for you.

The contents of this handbook are presented as a matter of information only. While General Motors believes wholeheartedly in the plans, policies and procedures described here, they are not conditions of employment. General Motors reserves the right to modify, revoke, suspend, terminate,

or change any or all such plans, policies, or procedures, in whole or in part, at any time, with or without notice. The language used in this handbook is not intended to create, nor is it to be construed to constitute, a contract between General Motors and any one or all of its employees.

